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CITY OF SAN DIEGO
REDEVELOPMENT AGENCY

FIRST IMPLEMENTATION AGREEMENT

This First Implementation Agreement is entered into by and between the REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO (the "Agency"), and LANDGRANT DEVELOPMENT UNLIMITED, a California corporation (the "Developer").

For and in consideration of the mutual covenants and conditions herein set forth, the Agency and the Developer hereby agree as follows:

I. [§ 100] PURPOSE OF FIRST IMPLEMENTATION AGREEMENT

The Agency and Developer have heretofore entered into that certain Disposition and Development Agreement dated May 29, 1998 (collectively with this First Implementation Agreement, the "Agreement"). The Agency and the Developer desire to amend the Agreement to revise the Schedule of Performance, to adjust the boundaries of certain of the Parcels, to adapt other provisions of the Agreement to such changes in the schedule and adjustment of the Parcels, and to make other changes deemed appropriate by the parties.

II. [§ 200] THE SITE

The first paragraph of Section 104 of the Agreement is hereby amended by deleting therefrom the phrase "the Virginia Avenue port of entry", and substituting in lieu thereof the phrase "Virginia Avenue".

III. [§ 300] AUTHORITY TO ASSIGN AGREEMENT

Pursuant to Sections 108 and 316 of the Agreement, the Agency hereby authorizes and directs the Executive Director (or his designee) to approve an assignment of the Agreement to International Gateway Associates, LLC, a Delaware limited liability company (the "Assignee") provided that as of the time such consent is given: (1) the Developer and the Assignee have submitted to the Executive Director (or his designee) evidence reasonably satisfactory to him that the qualifications of the Assignee (including without limitation, financial capability) are not less than such qualifications as of the date of execution of the First Implementation Agreement by the Agency; (2) the Assignee (and/or an entity under contract to the Assignee to convey certain of such properties to the Assignee) have concurrently with such assignment acquired all of the Participating Parcels and Agreed Sales Parcels within the Site in a condition of title and otherwise consistent with this Agreement; and (3) the formation of the Assignee, and the assignment of the Agreement and assumption of all obligations and liabilities thereunder, shall be accomplished by documents

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OFFICE OF THE REDEVELOPMENT AGENCY
SAN DIEGO, CALIF

VI. [§ 600] BASIC CONCEPT DRAWINGS

Within the time established in the Schedule of Performance (as amended by the First Implementation Agreement), the Developer shall prepare and submit Revised Basic Concept Drawings and related documents for the development of the Site in accordance with Section 303 of the Agreement. The Agency shall approve or disapprove such Revised Basic Concept Drawings and related documents within the time established in such Schedule of Performance, as amended, and otherwise in accordance with Section 306 and consistent with this Agreement.

VII. [§ 700] CONSTRUCTION DRAWINGS AND RELATED DOCUMENTS FOR THE SITE

The penultimate sentence of the first paragraph of Section 305, Construction Drawings and Related Documents for the Site, of the Agreement is hereby amended to read in its entirety as follows:

Such construction drawings and related documents shall be submitted in three stages: Schematic/Design Development Drawings, 50% Construction Drawings, and Final Construction Drawings for each Development Parcel.

VIII. [§ 800] PROHIBITION AGAINST TRANSFER

The second paragraph of Section 316, Prohibition Against Transfer, of the Agreement is hereby amended to insert the following sentence immediately following the first sentence of such paragraph:

The term "carrying charges", as used in the immediately preceding sentence, shall include without limitation taxes, insurance, interest and other costs associated with borrowed money, and a return on equity dollars invested at a rate of 15% per annum.

IX. [§ 900] REMEDIES AND RIGHTS OF TERMINATION

A. [§ 901] Termination by Developer

The following respective subdivisions and portions of Section 510, Termination by Developer, of the Agreement are hereby amended to read as follows:

1. Subdivision (b) is hereby amended by deleting therefrom the phrase "GSA Cooperation Agreement", and substituting in lieu thereof the phrase "Federal Agencies Cooperation Agreement".

2. Subdivision (d) is hereby amended to read in its entirety as follows:

- d. the Agency, after hearing as required by law, fails to adopt a resolution of necessity provided for in Chapter 4, Article 2 of the California Eminent Domain Law with respect to any Added Sales Parcel to be acquired by the Agency hereunder; or

3. Subdivision (e) is hereby amended by deleting therefrom the phrase "with respect to the Site", and substituting in lieu thereof the phrase "with respect to the applicable Development Parcel".

4. Subdivision (g) is hereby amended to read in its entirety as follows:

- g. the Developer is unable, despite diligent and good faith efforts, and within the time established respectively therefor in the Schedule of Performance, to obtain approval from the City of the City Permit Package with respect to the applicable Development Parcel, as referred to in Section 710 of this Agreement; or

5. Subdivision (h) is hereby amended to read in its entirety as follows:

*Amended (h)
See 4th imp
Agreement*

- h. The Developer is unable, despite diligent and good faith efforts, (i) to obtain financing commitments with respect to a Development Parcel of the type referenced in Section 214 of this Agreement which are reasonably satisfactory to the Developer, or (ii) to submit to the Agency such submission of evidence of financing commitments with respect to the applicable Development Parcel, within the time established respectively therefor in the Schedule of Performance, or

6. The portion of Section 510 after subdivision (l) is hereby amended to read in its entirety as follows:

then this Agreement shall, at the option of the Developer, be terminated with respect to any Development Parcel for which closing of the mortgage loan and/or other financing has not occurred (except that such termination shall not apply to Parcel A if the reason therefor is the failure referred to in subdivision (a) of this Section), by written notice thereof to the Agency, and except to the extent provided in Section II of the Method of Financing (Attachment No. 2) and in Sections 513 and 702 hereinbelow, neither the Agency nor the Developer shall have any further rights against or liability to the other under this Agreement with respect to any

Development Parcel (except Parcel A under the circumstances described above) for which closing of the mortgage loan and/or other financing has not occurred. A termination by the Developer, with respect to any Development Parcel for which the closing of the mortgage loan and/or other financing has not occurred, shall not in any way diminish or impair the Agency's (and Developer's) obligations as set forth in this Agreement with respect to any Development Parcel(s) for which the closing of the mortgage loan and/or other financing has occurred, including without limitation its payment of amounts due under Loan Agreements and/or Public Use Leases provided by the Agency with respect to such closed Development Parcel(s) and with respect to related off-site improvements.

B. [§ 902] Termination by Agency

The following respective subdivisions and portions of Section 511, Termination by Agency, of the Agreement are hereby amended to read as follows:

1. Subdivision (d) is hereby amended by deleting therefrom the phrase "GSA Cooperation Agreement", and substituting in lieu thereof the phrase "Federal Agencies Cooperation Agreement".

2. Subdivision (f) is hereby amended by deleting therefrom the parenthetical phrase "(including without limitation Section 721)".

3. Subdivision (g) is hereby amended to read in its entirety as follows:

g. the Developer shall fail to cause all owners of properties comprising the Agreed Sales Parcels to be acquired by the Agency within Parcels A, B and/or C from the proceeds of the Loan Agreements for Parcels B and C, to enter into a Purchase Agreement with the Agency as referred to in Section 716, and within the time established therefor in the Schedule of Performance; or

4. Subdivision (h) is hereby amended to read in its entirety as follows:

h. the Agency, after hearing as required by law, fails to adopt a resolution of necessity as provided for in Chapter 4, Article 2 of the California Eminent Domain Law with respect to any Added Sales Parcel to be acquired by the Agency hereunder, and the Agency and the Developer do not timely agree on a revision of

boundaries of the applicable Development Parcel pursuant to the second paragraph of Section III.A. of the Method of Financing (Attachment No.2); or

5. Subdivision (j) is hereby amended by deleting therefrom the phrase "with respect to the Site", and substituting in lieu thereof the phrase "with respect to the applicable Development Parcel".

6. Subdivision (l) is hereby amended to read in its entirety as follows:

1. the Developer is unable, despite diligent and good faith efforts, and within the time established respectively therefor in the Schedule of Performance to obtain approval from the City of the City Permit Package with respect to the applicable Development Parcel, as referred to in Section 710 of this Agreement; or

7. Subdivision (n) is hereby amended to intentionally omit the language thereof, which is hereby deleted in its entirety.

8. The portion of Section 511 after subdivision (r) is hereby amended to read in its entirety as follows:

then this Agreement and any rights of the Developer, or any assignee or transferee, in this Agreement, or arising therefrom with respect to the Agency, as it pertains to any Development Parcel for which closing of the mortgage loan and/or other financing has not occurred, shall at the option of the Agency, be terminated by written notice to the Developer (except that such termination shall not apply to Parcel A if the reason therefor is the failure referred to in subdivision (c) of this Section), and except to the extent provided in Section II of the Method of Financing (Attachment No. 2) and in Sections 513 and 702 hereinbelow, neither the Agency nor the Developer shall have any further rights against or liability to the other under this Agreement with respect to any Development Parcel (except Parcel A under the circumstances described above) for which closing of the mortgage loan and/or other financing has not occurred. A termination by the Agency, with respect to any Development Parcel for which the closing of the mortgage loan and/or other financing has not occurred, shall not in any way diminish or impair the Agency's (and Developer's) obligations as set forth in this Agreement with respect to any Development Parcel(s) for which the closing of the mortgage loan and/or other financing has occurred, including without limitation its payment of amounts due under Loan Agreements and/or Public Use Leases provided by the Agency with

respect to such closed Development Parcel(s) and with respect to related off-site improvements.

X. [§ 1000] ENFORCED DELAY: EXTENSION OF TIME OF PERFORMANCE

A new paragraph is hereby added as the final paragraph of Section 604, Enforced Delay: Extension of Time of Performance, of the Agreement to read in its entirety as follows:

Provided however that, notwithstanding any provision in this Section 604 to the contrary, the outside date provided for in Section II.1. of the Schedule of Performance for the Agency (and City) and the Developer to obtain Bi-National Authorization for the River Pedestrian Bridge shall not be subject to extension hereunder, and if such Bi-National Authorization is not obtained by such date, then either the Developer or the Agency may terminate this Agreement pursuant to Section 510(a) or 511(c) respectively.

XI. [§ 1100] SPECIAL PROVISIONS

The following respective Sections of the Special Provisions (Article VII) of the Agreement are hereby amended to read as follows:

1. The second paragraph of Section 703, Acquisition of Participating Parcels by Developer, is hereby amended to read in its entirety as follows:

The Developer has agreed to acquire the Participating Parcels within Development Parcels A, B and C hereunder, on the condition that the Agency will pay (by reimbursement) for part of the Developer's acquisition cost for portions of such Participating Parcels as provided for in the second, third, fourth and fifth paragraphs of Section II.A.4., and in the second, third, fourth and fifth paragraphs of Section III.C., of the Method of Financing (Attachment No. 2), subject to the conditions precedent therein. For the purpose of implementing such reimbursement, the portions of such Participating Parcels for which the Agency will reimburse part of the Developer's acquisition cost, shall also be identified as Agreed Sales Parcels.

2. The second paragraph of Section 704, Subdivision Maps, is hereby amended to read in its entirety as follows:

The Preliminary Subdivision Map and/or the Final Subdivision Map may omit the division of Parcel F, and/or may combine one or more of Parcels E-1, E-2, E-3 and E-4 if the locations of all developments within Parcel E have not been sufficiently identified. In any such event, within the times established respectively therefor in the Schedule of Performance, the Developer shall prepare and use diligent and good faith efforts to obtain approval from the City and record, Parcel Maps (each a "Subsequent Parcel

Map") dividing Parcel F, and/or Parcel E-1, E-2, E-3 and/or E-4, as applicable, into the Development Parcels shown on the Site Map. Subject to the approval of the Agency in accordance with the Agreement, the Preliminary Subdivision Map and Final Subdivision Map may create legal parcels within Parcels B and C which straddle the common boundary of said Parcels.

3. The first sentence of Section 707, Development Agreement, is hereby amended to read in its entirety as follows:

Within the time established therefor in the Schedule of Performance (Attachment No. 3), the Developer may elect to attempt to obtain a Development Agreement (the "Development Agreement") from the City in furtherance of the development on the Site.

4. The second paragraph of Section 708, Bi-National Authorization for River Pedestrian Bridge, is hereby amended to read in its entirety as follows:

Such diligent and good faith efforts by the Agency (and attempts to obtain City cooperation) shall include without limitation the following:

1. Submit and/or support an application to the Bi-National Bridges and Borders Commission (the "Bi-National Commission") as applicable for any element of the Bi-National Authorization under its jurisdiction, and use diligent and good faith efforts to obtain approval of any such applicable element, the Louisiana Avenue crossing over the Tijuana River, in a manner consistent with the San Ysidro Community Plan, as a port of entry for pedestrian access only (the "Pedestrian Bridge Application").
2. Use diligent and good faith efforts, to solicit cooperation and formal endorsement of the Pedestrian Bridge Application from United States and Mexico local, state and federal governmental agencies and officials.
3. Use diligent and good faith efforts, to solicit formal support of the Pedestrian Bridge Application from the Bi-National Border Port Council.
4. Cause appropriately senior officials of both the Agency and the City (at the level of Executive Director or his designee) to appear at meetings of the Bi-National Commission in favor of the Pedestrian Bridge Application.

5. Section 709, Coordination with Mexico, is hereby amended to read in its entirety as follows:

The Agency shall establish and maintain (and shall attempt to obtain from the City) regular, open lines of communication regarding the development under this Agreement with the appropriate local, state and federal agencies of Mexico. The Agency (together with the City) shall promote and encourage coordination with such local, state and federal agencies of Mexico in the development and implementation of a plan of action in support of the development under this Agreement.

6. Section 710, City Permits, is hereby amended to read in its entirety as follows:

Within the time established therefor in the Schedule of Performance (Attachment No. 3), Developer shall use diligent and good faith efforts to obtain City approval of an integrated permit package tailored to each applicable Parcel (each a "City Permit Package") including, without limitation, the permits listed on the "List of City Permits" which is incorporated herein and attached hereto as Attachment No. 9.

Subject to the City's holding such hearings and taking such actions as may be required by law, the Agency shall cooperate with and assist the Developer in obtaining the applicable City Permit Package.

7. Section 711, Federal/State Approvals, is hereby amended to read in its entirety as follows:

Within the time established therefor in the Schedule of Performance (Attachment No. 3), the Developer shall use diligent and good faith efforts to obtain approvals with respect to each applicable Parcel from all other United States federal agencies and California State agencies having jurisdiction over the development on the applicable Parcel (the "Federal/State Approvals"), including without limitation:

1. California Coastal Commission approval of the height variances for the Parcel referred to in the List of City Permits (Attachment No. 9).
2. California Alcoholic Beverage Control ("ABC") approval of appropriate licenses for on-site consumption of alcoholic beverages.
3. United States Corps of Engineer approval, if required, of an appropriate Section 404 Permit for the River Pedestrian Bridge.

4. Such approvals as may be necessary for flood control at the Parcel.

The Agency shall cooperate with and assist the Developer in obtaining the Federal/State Approvals. Such cooperation shall include an attempt to coordinate submittals and processing by the federal and state agencies as appropriate, in order to achieve: (a) environmental clearances and timely approvals needed for the development on the applicable Parcel; (b) acceptance by such agencies of similar packages of materials, in an effort to avoid having to submit substantially similar information to them in dissimilar forms; and (c) priority and dedicated staffing, where feasible.

8. Section 712, Federal Agencies Cooperation Agreement, is hereby amended to read in its entirety as follows:

Within the times established respectively therefor in the Schedule of Performance (Attachment No. 3): (1) the Agency shall submit to the appropriate federal agencies of the United States ("Federal Agencies") a proposal for the Federal Agencies to enter into a cooperation agreement with the Agency (the "Federal Agencies Cooperation Agreement"), including without limitation substantially the terms and conditions contained in the Federal Agencies Term Sheet which is incorporated herein and attached hereto as Attachment No. 10; (2) the Agency shall use diligent and good faith efforts to obtain from the Federal Agencies a commitment to negotiate such Federal Agencies Cooperation Agreement; and (3) the Agency shall use diligent and good faith efforts to negotiate and enter into such a Federal Agencies Cooperation Agreement.

9. Section 713, Regional Transit Issues, the second sentence thereof is hereby amended by deleting therefrom the phrase "Virginia Avenue border crossing", and substituting in lieu thereof the phrase "Louisiana Avenue border crossing".

10. Section 716, Purchase of Agreed Sales Parcels, is hereby amended to read in its entirety as follows:

Within the time established therefor in the Schedule of Performance (Attachment No. 3), the Developer shall cause all owners of properties comprising the Agreed Sales Parcels within Parcels A, B and/or C as provided for in the first paragraph of Section II.A.4., and in the first paragraph of Section III.C., of the Method of Financing (Attachment No. 2), to enter into a Purchase Agreement with the Agency in substantially the form which is incorporated herein and attached hereto as Attachment No. 12. The Agency agrees to use diligent and good faith efforts to acquire such Agreed Sales Parcels within Parcels A, B and/or C, as applicable, on or before the date established therefor in the Schedule of Performance, in accordance with the Purchase Agreement, and subject to the performance thereof by the owners of said Agreed

Sales Parcels and the satisfaction of the conditions precedent provided for in the above referenced paragraphs of the Method of Financing.

11. The first and second paragraphs of Section 718, Public Use Leases to City, are hereby amended to read in their entirety as follows:

Within the times established respectively therefor in the Schedule of Performance (Attachment No. 3), the Developer shall use diligent and good faith efforts to enter into leases with the City, for the City to lease from the Developer certain portions of Parcels A, B and C needed for public parking. Each lease shall contain terms and conditions substantially in the form of the "Public Use Lease" which is incorporated herein and attached hereto as Attachment No. 13. Subject to the City's holding such hearings and taking such actions as may be required by law, the Agency shall cooperate with and assist the Developer in obtaining the Public Use Leases.

Before each Public Use Lease is entered into it shall be completed in accordance with the terms and conditions provided therefor in this Agreement, including without limitation: (1) the form of Public Use Lease (Attachment No. 13), which is prepared for Parcel A, shall be modified where references are to "A", to refer to "B and C" (as to Parcels B and C); (2) the Parking Area Description (Exhibit C) to each Public Use Lease shall be completed with a precise map and written description, and attached to the respective Public Use Lease, by the Developer selecting from within the "Available Parking Area" as illustrated on Temporary Exhibit C-1 to Attachment No. 13, for Parcels A, or B and C, as applicable, subject to the reasonable approval of the City, the location of the Parking Area to be leased (with substantially the area and number of parking spaces set forth in this Section 718), within the applicable Parcel; and (3) the Rent Schedule (Exhibit D) to each Public Use Lease shall be completed by attaching to the respective Public Use Lease, the Temporary Exhibit D-1 to Attachment No. 13, for Parcels A, or B and C, as applicable. Notwithstanding the separate descriptions below, or elsewhere in this Agreement, Parcels B and C shall be combined into one Public Use Lease for all purposes, with combined parking areas, parking spaces and rent schedules.

12. Section 719, Financing Public Improvements, and Sections 720 through 723, inclusive, contained therein, shall be Intentionally Omitted, and all of Sections 720 through 723 deleted in their entirety.

Per Amendments

See attachments

XII. [§ 1200] ATTA

AP

Attachment No.
in its entirety, and
and incorporated he:

*to the 1st
Corp. Agree.*

Agreement is hereby deleted
ment No. 1 attached hereto
in lieu thereof.

XIII. [§ 1300] ATTACHMENT NO. 2; METHOD OF FINANCING

Attachment No. 2, Method of Financing, of the Agreement is hereby amended to read in its entirety as set forth in Amended Attachment No. 2, attached hereto and incorporated herein by this reference.

XIV. [§ 1400] ATTACHMENT NO. 3; SCHEDULE OF PERFORMANCE

Attachment No. 3, Schedule of Performance, of the Agreement is hereby amended to read in its entirety as set forth in Amended Attachment No. 3, attached hereto and incorporated herein by this reference.

XV. [§ 1500] ATTACHMENT NO. 4; SCOPE OF DEVELOPMENT

Attachment No. 4, Scope of Development, of the Agreement is hereby amended to read in its entirety as set forth in Amended Attachment No. 4, attached hereto and incorporated herein by this reference.

XVI. [§ 1600] ATTACHMENT NO. 5; GRANT DEED

Attachment No. 5, Grant Deed, of the Agreement is hereby amended by adding thereto as Exhibit D, the Table of Minimum Property Tax Assessments, attached hereto and incorporated herein as Figure 1.

XVII. [§ 1700] ATTACHMENT NO. 6; AGREEMENT TO BE RECORDED
AFFECTING REAL PROPERTY

Attachment No. 6, Agreement to be Recorded Affecting Real Property, of the Agreement is hereby also (as with Attachment No. 5) amended by adding thereto as Exhibit D, the Table of Minimum Property Tax Assessments, attached hereto and incorporated herein as Figure 1.

XVIII. [§ 1800] ATTACHMENT NO. 8; RIVER PEDESTRIAN BRIDGE TERM
SHEET

The following respective paragraphs of Attachment No. 8, the River Pedestrian Bridge Term Sheet, are hereby amended to read as follows:

1. Paragraphs 2(c) and (d) are hereby amended to read in their entirety as follows:

- (c) Agreement upon the economic terms of such franchise, including without limitation provisions for (i) the payment of operating expenses, and reserves for capital replacements and improvements, (ii) the payment of principal and interest on debt to finance construction of the River Pedestrian Bridge, (iii) an estimated cumulative annual return to Developer of not more than thirty percent (30%) of its equity per year, and (iv) a right to use remaining toll revenues (and/or proceeds of any capital borrowings based thereon) through the fiduciary trust or trusts referred to in subparagraph (d) below, two-thirds by the appropriate agencies in Mexico, and one-third by the City of San Diego. The City of San Diego shall use such revenue to make such improvements as it may elect near the River Pedestrian Bridge crossing in its jurisdiction.
- (d) Creation of a fiduciary trust or trusts for the benefit of the San Ysidro community and those selected by the appropriate agencies in Mexico, to be funded from the excess toll revenues referred to in subparagraph 2.(c)(iv) above.

2. Paragraph 3. is hereby amended to read in its entirety as follows:

- 3. Establishment of a neighborhood/community improvement program approved by the City of San Diego within its jurisdiction, calling for the expenditure, through the fiduciary trust or trusts referred to in subparagraph 2.(d) above, of an agreed portion of the excess toll revenues (and/or the proceeds of any capital borrowings based thereon), from the operation of the River Pedestrian Bridge as provided in subparagraph 2.(c)(iv) above, for neighborhood/community improvements (e.g. public art, frontage road improvements, store front improvements, etc.) to enhance the Site and related areas in San Ysidro. Such improvements shall be selected and administered by Developer, subject to such objective guidelines as may be set out in the neighborhood/community improvement program and the approved trust documents.

3. Exhibit A of Attachment No. 8 is hereby deleted in its entirety, and the Amended Exhibit A attached hereto and incorporated herein as Figure 2 is substituted in lieu thereof.

XIX. [§ 1900] ATTACHMENT NO. 10; FEDERAL AGENCIES TERM SHEET

Attachment No. 10, GSA Term Sheet, of the Agreement is hereby amended to read in its entirety as set forth in Amended Attachment No. 10, attached hereto and incorporated herein by this reference.

XX. [§ 2000] ATTACHMENT NO. 13; PUBLIC USE LEASE

The following respective Sections of Attachment No. 13, Public Use Lease, are hereby amended to read as follows:

1. The first paragraph of Section 1.08 is hereby amended to read in its entirety as follows:

Section 1.08 Upon the prior written approval of City, Lessor may assign its rights to receive the Base Rent A and Additional Rent A due under this Lease to one or more construction or permanent lenders (each a "Lender") that makes a construction or permanent loan secured by all or any portion of Parcel A. Such assignment shall be made pursuant to a written agreement reasonably satisfactory to City in form and substance.

2. The second paragraph of Section 6.02 is hereby amended to read in its entirety as follows:

Lessor shall not transfer, assign, sell, or otherwise convey Parcel A or the Parking Area, or any portion thereof or interest therein, without the prior written approval of City, which approval City shall not unreasonably withhold or delay. For purposes of this Lease, any such transfer, assignment, sale, or conveyance shall be referred to as a "Transfer." City shall approve or disapprove a proposed Transfer within thirty (30) days after receipt of notice from Lessor and such reasonable information concerning the proposed transferee and the proposed terms of the Transfer to permit City to make a reasonable determination. City shall have the right to disapprove a proposed Transfer in the event City reasonably determines that the proposed transferee is not capable, willing and able to fulfill the terms and conditions of this Lease. City shall not, however, withhold its consent to (a) the assignment of the rights of Lessor under this Lease to any assignee that concurrently received conveyance of fee title to Parcel A in accordance with the provisions of the DDA, or (b) the collateral assignment of the interests of Lessor under this Lease to the holder of a mortgage or deed of trust encumbering Parcel A in accordance the provisions of Section 318 of the DDA, or (c) an assignment which Lessor can reasonably demonstrate its will not impair the City's rights and benefits under this Lease. Any assignment approved by City hereunder shall be subject to this Lease, and the assignee shall be required to execute an assumption and/or nondisturbance agreement reasonably satisfactory to City in form and substance. All costs of City incurred in processing any assignment shall be borne by Lessor.

3. Section 6.24 is hereby added to the Public Use Lease after Section 6.23 to read in its entirety as follows:

Independent Obligations

Section 6.24 The City's obligation to pay rent in accordance with and subject to the terms and conditions of this Lease are independent of the obligations of the Developer under the DDA with respect to Parcels other than Parcel A [or Parcels B and C, as applicable], and the City's obligations to make any such payment shall not be diminished, reduced or subject to setoff as a consequence of a breach by the Developer of any of its obligations under the DDA with respect to such other Parcels.

4. Temporary Exhibit C-1 of Attachment No. 13 is hereby deleted in its entirety, and the Amended Temporary Exhibit C-1 attached hereto and incorporated herein as Figure 3 is substituted in lieu thereof.

5. Attachment No. 13 is hereby amended by adding to Temporary Exhibit D-1 thereof, after page 3 of 3, the Rent Schedule B & C Combined, attached hereto and incorporated herein as Figure 4.

6. Attachment No. 13 is hereby amended by adding thereto as Exhibit E, the Sample Calculation of Available Sales Tax A, attached hereto and incorporated herein as Figure 5.

7. Attachment No. 13 is hereby amended by adding thereto as Exhibit F, the Sample Calculation of Annual Payment, attached hereto and incorporated herein as Figure 6.

XXI. [§ 2100] ATTACHMENT NO. 14; LOAN AGREEMENT

The following respective Sections of Attachment No. 14, Loan Agreement, are hereby amended to read as follows:

1. Recital E is hereby amended to read in its entirety as follows:

A. Pursuant to the DDA, the Developer loaned funds to the Agency in order to [Parcels B and C: enable the Agency to refinance its acquisition of the Added Sales Parcels, and to finance the Agency's acquisition of certain Agreed Sales Parcels; or Parcels A, D, E-1, E-2, E-3 and F: reimburse the Developer for the Developer's costs of acquiring certain Agreed Sales Parcels], in order to assemble the properties within the Site. The purpose of this Agreement is to provide for the repayment of certain funds loaned to the Agency by the Developer pursuant to the DDA, from tax increment generated by the redevelopment of Parcel A.

2. Section 8.8 is hereby added to the Loan Agreement after Section 6.23 to read in its entirety as follows:

8.8 Independent Obligations

The Agency's obligation to make payments hereunder in accordance with and subject to the terms and conditions of this Agreement are independent of the obligations of the Developer under the DDA with respect to Parcels other than Parcel A [or Parcels B and C, or Parcels D and E-1, or Parcels E-2, E-3 and F, as applicable], and the Agency's obligations to make any such payment shall not be diminished, reduced or subject to setoff as a consequence of a breach by the Developer of any of its obligations under the DDA with respect to such other Parcels.

3. Attachment No. 14 is hereby amended by adding to Temporary Exhibit C-1 thereof, after page 4 of 8, the Amortization Schedule B & C Combined, attached hereto and incorporated herein as Figure 7.

4. Attachment No. 14 is hereby amended by adding thereto as Exhibit D, the Sample Calculation of Available Tax Increment A, attached hereto and incorporated herein as Figure 8.

XXII. [§ 2200] ATTACHMENT NO. 15; PUBLIC WORKS FINANCING AGREEMENT

Attachment No. 15, Public Works Financing Agreement, shall be Intentionally Omitted, and all provisions thereof deleted in their entirety.

XXIII. [§ 2300] GSA PARCEL

If it is reasonably demonstrated by the Agency or the Developer that GSA is interested in disposing of or arranging for redevelopment of the property owned by GSA located immediately east of Virginia Avenue and south of Camino de la Plaza (the "GSA Parcel") as shown on the Site Map (Attachment No. 1), then the Agency and the Developer shall cooperate reasonably to acquire such property for redevelopment purposes and to permit the Developer reasonable opportunities to redevelop such property in connection with the development contemplated under this Agreement. The rights and obligations of the Agency and the Developer under this Section shall automatically terminate upon the earlier to occur of: (1) the Agency and the Developer fail to obtain binding commitments from GSA to acquire and/or redevelop such GSA Parcel within six (6) months after it has been reasonably demonstrated by the Agency or the Developer that the GSA Parcel is interested in disposing of the GSA Parcel, or (2) on the date when the mortgage loan and/or other financing closes for the development of the last Development Parcel with respect to which this Agreement remains in effect.

XXIV. [§ 2400] COMPLIANCE WITH AGREEMENT

The Agency and the Developer each acknowledge to the other that as of the date of the First Implementation Agreement, neither party shall be deemed to be in default under the Agreement.

XXV. [§ 2500] TIME FOR ACCEPTANCE OF FIRST IMPLEMENTATION AGREEMENT BY THE AGENCY; DATE OF FIRST IMPLEMENTATION AGREEMENT

This First Implementation Agreement when executed by the Developer and delivered to the Agency, must be authorized, executed and delivered by the Agency on or before sixty (60) days after this First Implementation Agreement is signed by the Developer or this First Implementation Agreement may be terminated by the Developer on written notice to the Agency.

This First Implementation Agreement is executed in five (5) duplicate originals, each of which is deemed to be an original. This First Implementation Agreement includes eighteen (18) pages and four (4) fully amended attachments and eight (8) figures.

The date of this First Implementation Agreement shall be the date when the First Implementation Agreement shall have been executed by the Agency.

IN WITNESS WHEREOF, the Agency and Developer have signed this First Implementation Agreement as of the dates set opposite their signatures.

LANDGRANT DEVELOPMENT UNLIMITED,
A California Corporation
(Developer)

Date: Feb 7, 2000

By: C. Santamarina

Name: MAKASCO

Title: president

Date: 2/7/00

By: Chris Smith

Name: CHRIS SMITH

Title: EX. V.P.

[Signature page continued from page 17]

Approved and agreed to:

LANDGRANT CORPORATION,
A California Corporation
(Guarantor)

Date: Feb. 7, 2000

By: C. Paul Maracco

Name: MARACCO

Title: President

Date: 2/7/00

By: Chris Smith

Name: CHRIS SMITH

Title: EX. V.P.

REDEVELOPMENT AGENCY OF THE CITY OF
SAN DIEGO (Agency)

Dated: 2/23/00

By: Todd Hooks
Todd Hooks
Deputy Executive Director

APPROVED AS TO FORM AND
LEGALITY ON THIS 23 day
of February, 2000.

CASEY GWINN
Agency General Counsel

By: Douglas K. Humphreys
Douglas K. Humphreys, Deputy

APPROVED:
KANE, BALLMER & BERKMAN
Agency Special Counsel

By: Bruce D. Ballmer
Bruce D. Ballmer

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reasonably satisfactory to the Executive Director (or his designee), and legal counsel to the Agency, consistent with this Agreement. In connection with such assignment and assumption, but without limiting any such obligations related to its participation in or with the Assignee, the Executive Director (or his designee) shall release the original Developer and Guarantor from any further obligations under the Agreement. The authority granted by this Section shall terminate if the assignment contemplated hereby has not occurred on or before June 1, 2000. If such assignment has not occurred before such date, then the First Implementation Agreement shall automatically terminate in its entirety (unless extended by mutual agreement of the Developer and the Agency), and the Agreement existing prior to the execution of the First Implementation Agreement shall remain in effect in accordance with its terms.

IV. [§ 400] CITY LAND USE REGULATIONS

Section 211, City Land Use Regulations, of the Agreement is hereby amended to read in its entirety as follows:

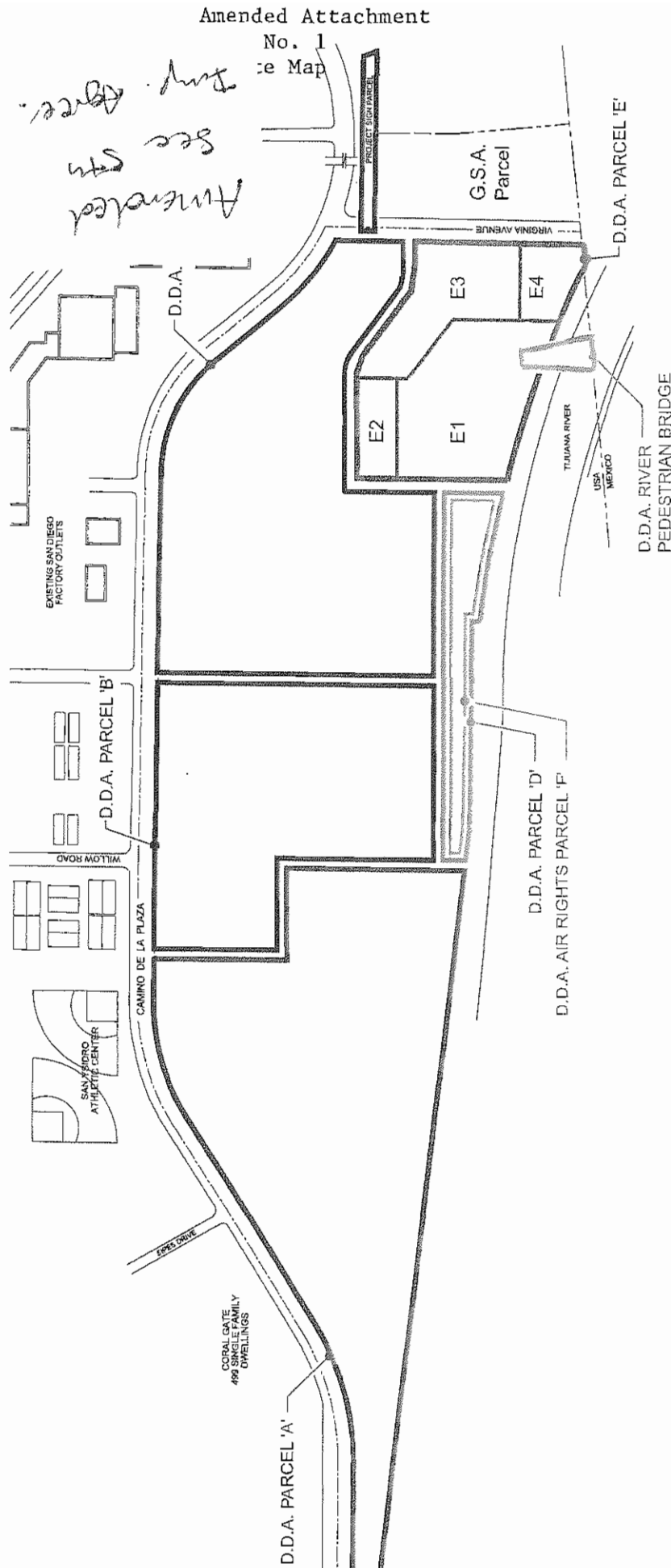
Any changes to the Community Plan, zoning, Local Coastal Program or other City land use regulations applicable to a Development Parcel, which are required to implement the development under this Agreement, shall be deemed part of the City Permit Package, for the applicable Development Parcel as referred to in Section 710. After the Developer has obtained approval of the City Permit Package for the applicable Development Parcel, including any such required changes, then the Agency agrees that such City land use regulations applicable to such Development Parcel at the time of closing of the mortgage loan and/or other financing for each applicable Development Parcel to be developed hereunder shall be such as to permit development of the applicable Development Parcel and construction of improvements thereon in accordance with the provisions of this Agreement and the use, operation and maintenance of such improvements.

V. [§ 500] SUBMISSION OF EVIDENCE OF FINANCING

A new paragraph is hereby added as the final paragraph of Section 214, Submission of Evidence of Financing, of the Agreement to read in its entirety as follows:

Wherever used in this Agreement, the phrase "closing of the mortgage loan and/or other financing" for the applicable Development Parcel, shall mean financing of whatever combination of debt and equity which meets the requirements of the second and third submissions of evidence of financing, and, with respect to Parcel E-3, the penultimate paragraph, as provided for in this Section 214.

D.D.A. Land Parcel Exhibit



International Gateway Of The Americas SAN DIEGO, CALIFORNIA Puerta Internacional De Las Americas SAN DIEGO, CALIFORNIA

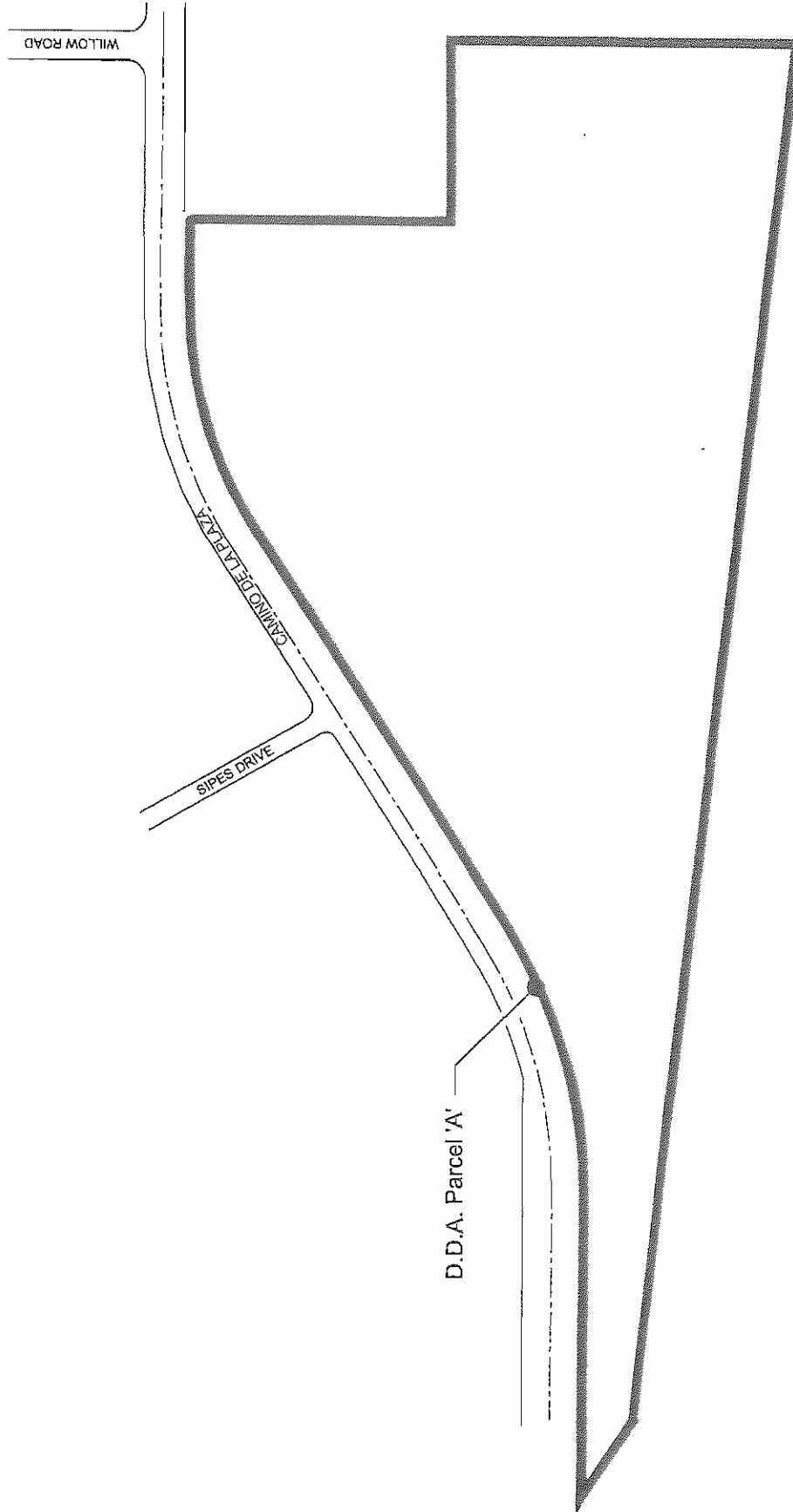
D.D.A. Land Parcel Exhibit
24 January, 2000

0 60' 120' 240' 360'
0 30m 60m 120m



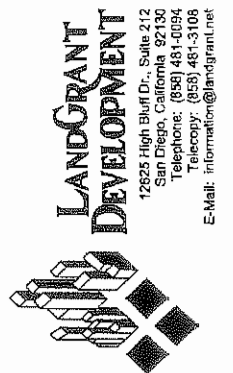
D.D.A. Land Parcel 'A' Exhibit

Amended Attachment
No. 1
Site Map

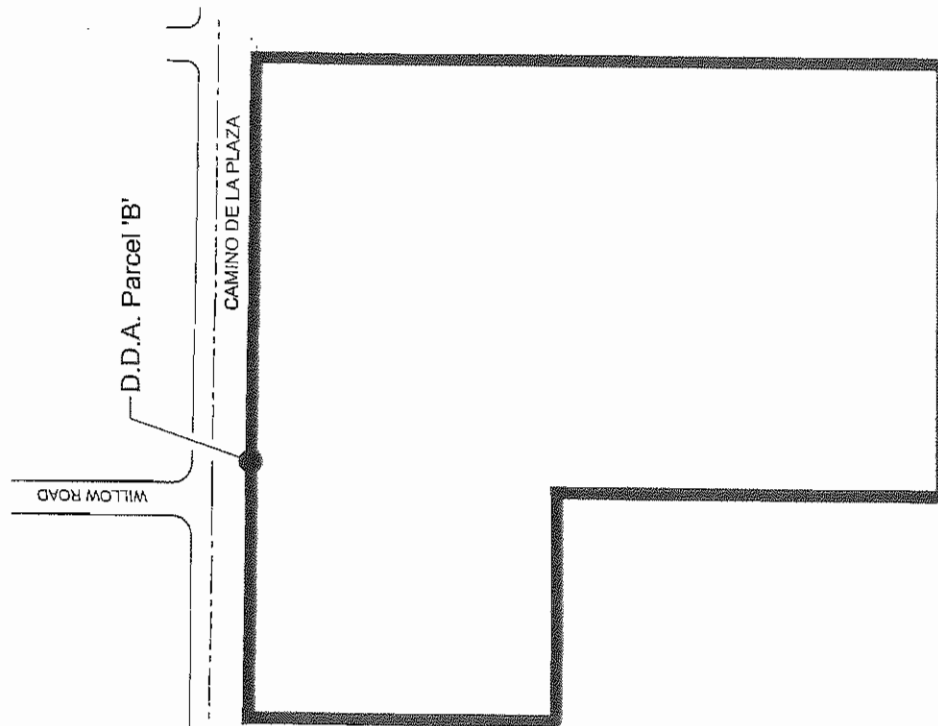


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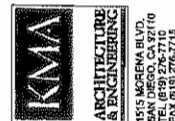
D.D.A. Land Parcel 'A' Exhibit
24 January, 2000
0 60' 120' 240'
0 30m 60m



D.D.A. Land Parcel 'B' Exhibit



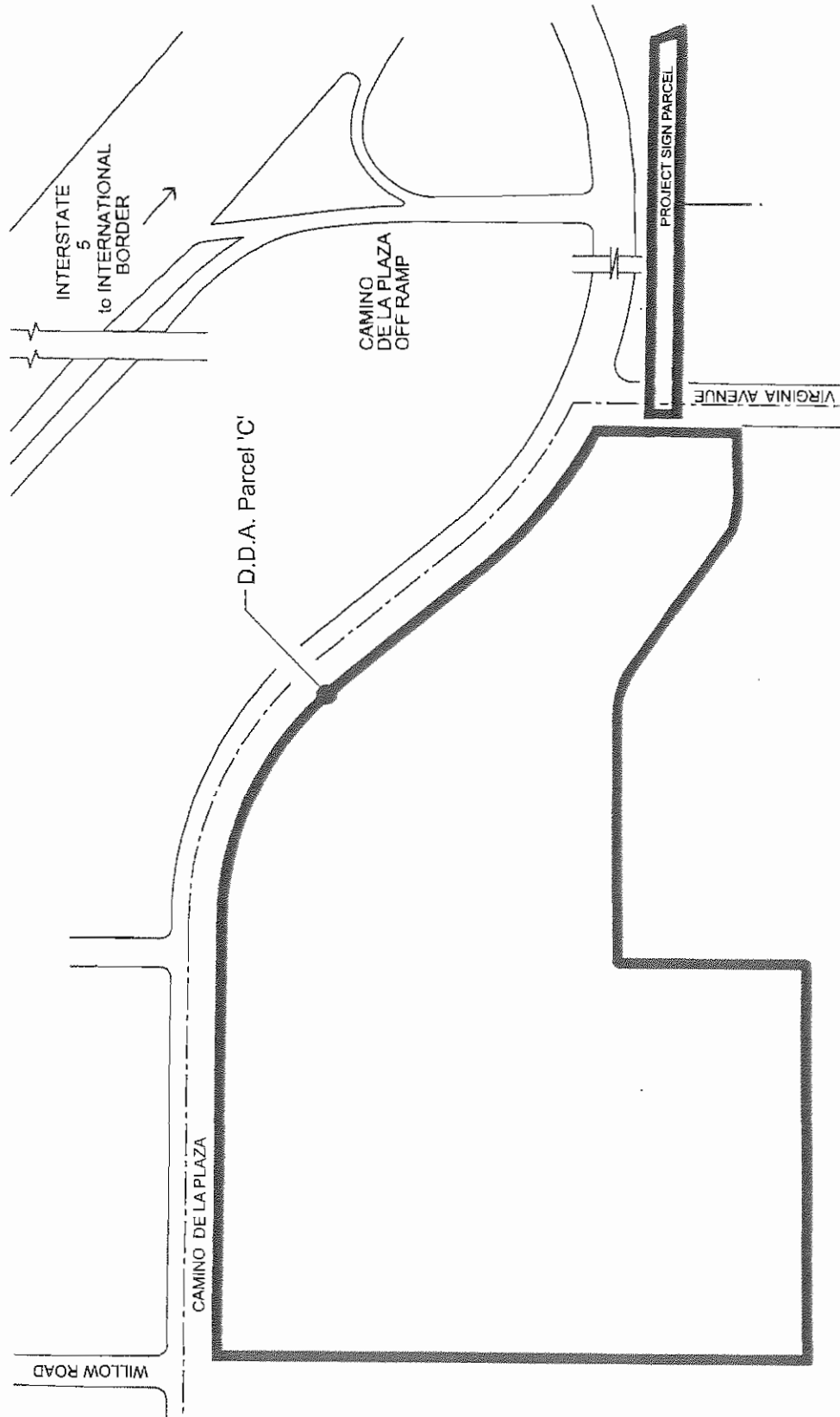
Amended Attachment
No. 1
Site Map



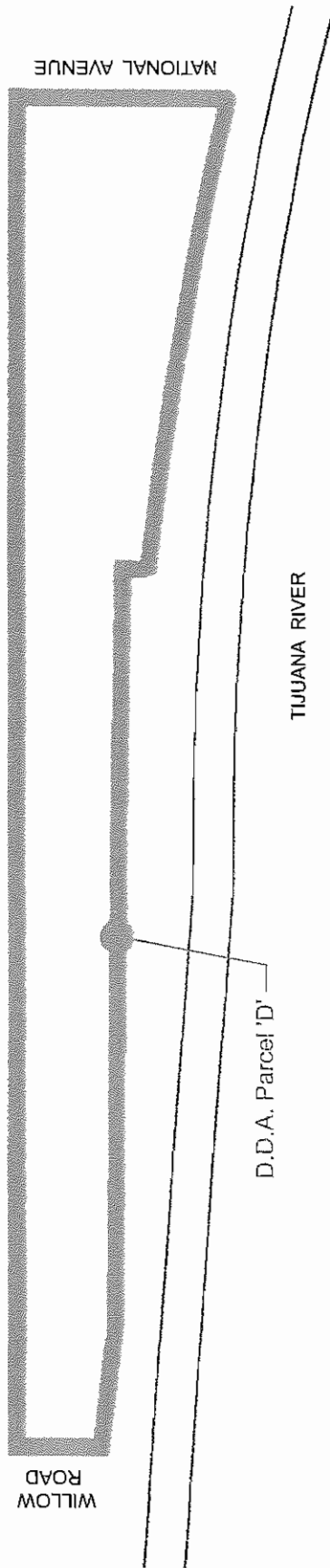
International Gateway Of The Americas SAN DIEGO, CALIFORNIA
Puerta Internacional De Las Americas SAN DIEGO, CALIFORNIA



D.D.A. Land Parcel 'B' Exhibit
24 January, 2000
0 60' 120' 240'
0 30m 60m



D.D.A. Land Parcel 'D' Exhibit

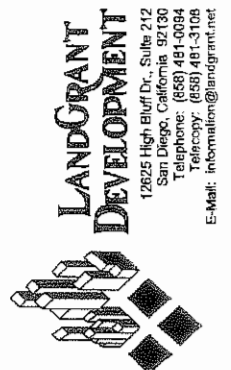


Amended Attachment
No. 1
Site Map



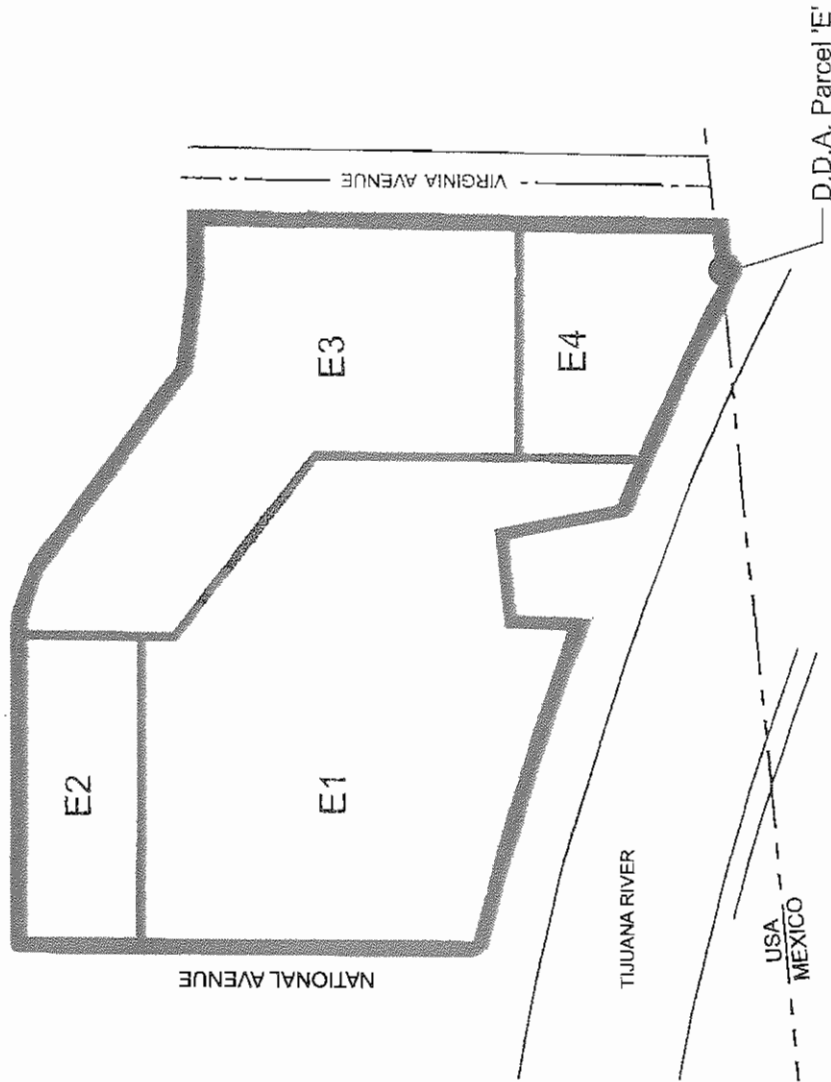
International Gateway Of The Americas SAN DIEGO, CALIFORNIA Puerta Internacional De Las Americas SAN DIEGO, CALIFORNIA

D.D.A. Land Parcel 'D' Exhibit
24 January, 2000
0 60' 120' 30m 60m



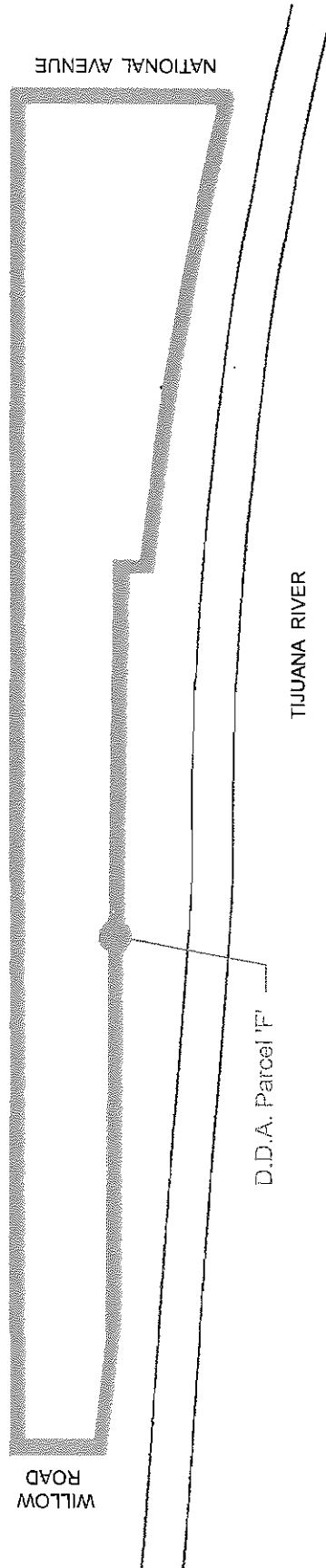


D.D.A. Land Parcel 'E' Exhibit



International Gateway Of The Americas SAN DIEGO, CALIFORNIA Puerta Internacional De Las Americas SAN DIEGO, CALIFORNIA

D.D.A. Land Parcel 'E' Exhibit
24 January, 2000
0° 0' 0" 60' 120' 240'
30m 60m 120m 240m



AMENDED
ATTACHMENT NO. 2

METHOD OF FINANCING

I. DEVELOPER'S PURCHASE PRICE

A. Amount of Purchase Price

The Developer shall pay to the Agency the Purchase Price for each Sales Parcel, if any in a specific Development Parcel, as follows:

1. The Developer shall pay for the Sales Parcel within Parcel A the amount of One Hundred Dollars (\$100.00).
2. The Developer shall pay for the Sales Parcel within Parcel B the amount of One Hundred Dollars (\$100.00).
3. The Developer shall pay for the Sales Parcel within Parcel C the amount of One Hundred Dollars (\$100.00).

B. Payment of Purchase Price for Each Sales Parcel

The Purchase Price to be paid for all Sales Parcels within the Parcels to be acquired from the Agency by the Developer shall be deposited into the escrow (Section 202 of this Agreement) within the time and in the manner required by the Schedule of Performance (Attachment No. 3), to be disbursed to the Agency upon the conveyance of title or possession of all Sales Parcels within the Parcels to the Developer.

II. DEVELOPER'S ADVANCE OF FUNDS

A. Advances by Developer

1. Letter(s) of Credit

Within the times established respectively therefor in the Schedule of Performance (Attachment No. 3), the Developer shall: (a) deliver to the Agency an unconditional irrevocable letter of credit with respect to the Added Sales Parcels in the amount reasonably estimated by the Agency to be needed to pay the pre-offer appraisal and other costs of the type described in Section II.A.3. below (the "Acquisition Letter of Credit"); and (b) increase or provide a substitute for the Acquisition Letter of Credit in a manner which provides an additional amount reasonably

estimated by the Agency to be needed to pay the purchase prices (based on the appraisals) and other costs described in Section II.A.3. with respect to the Added Sales Parcels. The initial Acquisition Letter of Credit shall be used for inspecting and testing the condition of the properties (including contamination and geology), title work, appraisals and other related work preparatory to making offers to acquire the Added Sales Parcels.

The Acquisition Letter of Credit shall be issued by a financial institution or institutions acceptable to the Agency. The form of the Acquisition Letter of Credit shall be satisfactory to the Agency and its Counsel. Within thirty (30) days after written request therefor from the Agency, the Developer shall cause the amount of any Acquisition Letter of Credit to be increased, or a substitute Acquisition Letter of Credit to be issued, to raise the amount available to the Agency for the purposes for which draws may be used hereunder to amounts reasonably estimated by the Agency from time to time. The Agency shall use advances on the Acquisition Letter of Credit only to pay costs and expenses set out in Section II.A.3. below (and in Section 702). The Executive Director of the Agency, or his written designee, shall be authorized to make calls upon the Acquisition Letter of Credit as provided in this Section II.A. Any Acquisition Letter of Credit shall be renewed or a new Acquisition Letter of Credit delivered to the Agency at least thirty (30) days prior to its expiration or the Agency shall have the right to draw on the Acquisition Letter of Credit and hold and use the cash for the purposes specified herein.

The Agency shall give the Developer at least fifteen (15) days written notice of each call the Agency proposes to make on the Acquisition Letter of Credit. The Agency further shall provide Developer with detailed written reports at least once every two (2) months following the first call upon the Acquisition Letter of Credit by the Agency showing the specific nature and amount of each and every call made on said Acquisition Letter of Credit. The Agency shall cooperate with the Developer and economically carry out its obligations under this Agreement in such a manner as to conserve the uncalled balance of the Acquisition Letter of Credit consistent with the purposes and objectives of this Agreement.

If, after payment of all costs and expenses properly incurred by the Agency pursuant thereto, there is any remaining balance in the Acquisition Letter of Credit, the Agency shall return to the Developer such uncalled balance remaining in the Acquisition Letter of Credit.

If this Agreement is terminated prior to the date the Agency has obtained title to all the properties within the Added Sales Parcels, then any balance in the Acquisition Letter of Credit not needed by the Agency to pay its obligations theretofore incurred in connection with the Added Sales Parcels shall be returned to the

Developer, and any amounts which were deposited into court in connection with an action in eminent domain shall be repaid to the Developer as rapidly as the release of said amounts from the court can reasonably be effected. In the event the Agency is unable to recover any amounts which were deposited into court from the court or the property owner, the Agency agrees to diligently proceed with any eminent domain action until final judgment and to repay such unrecovered amounts as set forth in Section II.C. hereinbelow.

Any advances made to the Agency by the Developer pursuant to the Acquisition Letter of Credit (each an "Acquisition Advance"), shall be repaid by the Agency as set forth in Section II.C. herein below.

2. Cash or Cash Equivalents

Within the times established respect Performance (Attachment No. 3) for the execute and cause to be recorded the a related thereto, the Developer shall a depositing with the Agency in cash, o following amounts (each an "Acquisition L Loan related to each Parcel also denomina such as the "Parcel A Loan" for the Acq Parcel A, etc.):

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Imp. Agree

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Acquisition Loan

Principal Amount

Parcel A Loan	\$1,780,000	\$3,656,000
Parcel B Loan	\$ 650,000	
Parcel C Loan	\$1,226,000	3,395,880
Parcel D Loan	\$ 70,000	
Parcel E-1 Loan	\$ 720,000	
Parcel E-2 Loan	\$ 455,000	
Parcel E-3 Loan	\$ 990,000	
Parcel F Loan	\$1,160,000	

Such Acquisition Loans shall be repaid by the Agency as set forth in the Loan Agreements provided for in Section III.A. of this Method of Financing.

3. Uses of Draws on Acquisition Letter of Credit

The Agency shall make draws on the Acquisition Letter of Credit for the following purposes with respect to the applicable Added Sales Parcels:

a. Actual Amounts Paid to Present Owners and Occupants

The actual acquisition price paid to acquire all interests in

any Added Sales Parcel, including but not limited to, amounts paid for the fee and improvements thereon (including underlying interests in adjacent streets not part of the Added Sales Parcel), leaseholds, tenants' improvements, fixtures and equipment, loss of goodwill, and administrative expenses, as reasonably determined by the Agency or its designated representative, or by a court of competent jurisdiction pursuant to the exercise of the power of eminent domain by the Agency, to be Agency obligations in connection with the acquisition, including all reasonable costs, attorneys' fees, appraiser or other expert witness fees which the Agency may be compelled by the court to pay present owners.

b. Expenses of Acquisition

Expenses of acquisition incurred by the Agency with respect to properties within any Added Sales Parcel, which shall consist of the following items (to the extent borne by the Agency):

- (1) Fees and actual expenses of acquisition agents;
- (2) Fees and actual expenses of attorneys, appraisers, engineers and other experts the employment of which is reasonably necessary to effect the acquisition of any Added Sales Parcel;
- (3) Court costs and fees required to prosecute an action in eminent domain, if required;
- (4) Costs necessary to place the title to each property acquired in a condition for conveyance to the Agency;
- (5) The entire escrow fee for each property acquired;
- (6) The cost of drawing the deed for each property acquired;
- (7) Recording fees, if any;
- (8) Notary fees and premiums for title insurance policies;
- (9) Any state, county or city documentary stamps or transfer tax;
- (10) Appraisal fees;
- (11) Toxics analysis and soils testing;
- (12) Costs necessary for maintenance of the

properties comprising any Added Sales Parcel, or portion thereof, acquired by the Agency.

c. Expenses of Relocation

Costs and expenses incurred by the Agency to relocate occupants from any Added Sales Parcel (including, but not limited to, relocation payments made to displaced persons and businesses, pre- or post-relocation rental payments, fees and actual expenses of attorneys, relocation consultants and other experts employed to effect the relocation Of occupants, preparation of relocation plans, and administrative overhead) as reasonably determined by the Agency in connection with the relocations.

d. Expenses of Administration

Expenses of administration (excluding general overhead) incurred by the Agency with respect to properties within any Added Sales Parcel and the Development Parcel of which it is a part, including but not be limited to the following items:

- (1) The cost of administration incurred by the Agency in the negotiation, preparation, implementation and administration of agreements necessary to effect the acquisition of the properties comprising any Added Sales Parcel or Agreed Sales Parcel, and the relocation of occupants from the Site.
- (2) Fees and actual expenses of attorneys, financial consultants, engineers and other experts, the employment of which is reasonably necessary to effect the acquisition of the properties comprising any Added Sales Parcel or Agreed Sales Parcel, and the relocation of occupants from the Site.

The Developer shall have the right, at its cost and expense, to inspect (once each calendar year) the books and records of the Agency as they pertain to the determination of the expenses of administration hereunder. Such right shall not excuse or delay the timely payment of the expenses as otherwise provided herein. This right to inspect shall terminate one year after issuance of a Certification of Completion by the Agency for the applicable Development Parcel.

4. Uses of Acquisition Loan Proceeds

The Agency shall use the proceeds of the Acquisition Loans for

Parcels B and C, above the amount needed to refinance the Acquisition Advances for all Added Sales Parcels (referred to in Section II.C.1. below), to pay the purchase price to acquire certain Agreed Sales Parcels within Parcels A, B and/or C pursuant to the Purchase Agreement as referred to in Section 716 of this Agreement. The proceeds to be used to pay for each such Agreed Sales Parcel by the Agency shall be delivered to the Agency concurrently with closing of the mortgage loan and/or other financing for the development of Parcels B and C, and then to the concurrent escrow under the Purchase Agreement for delivery to the owners of the applicable Agreed Sales Parcels.

The Agency shall use the proceeds of the Acquisition Loan for Parcel A, to reimburse to the Developer the purchase price paid by the Developer to acquire certain Agreed Sales Parcels as part of the Participating Parcels within Parcels A, B and/or C as referred to in Section 703 of this Agreement. The proceeds to be used to reimburse the Developer for each such Agreed Sales Parcel by the Agency shall be transferred to the Developer on the condition of, and concurrently with, execution and recordation of the Loan Agreement for the Parcel A Loan, and closing of the mortgage loan and/or other financing for the development of Parcel A.

The Agency shall use the proceeds of the Acquisition Loans for Parcels D and E-1, to reimburse to the Developer the purchase price paid by the Developer to acquire certain Agreed Sales Parcels as part of the Participating Parcels within Parcels A, B and/or C as referred to in Section 703 of this Agreement. The proceeds to be used to reimburse the Developer for each such Agreed Sales Parcel by the Agency shall be transferred to the Developer on the condition of, and concurrently with, execution and recordation of the Loan Agreements for the Parcel D Loan and the Parcel E-1 Loan, and closing of the mortgage loan and/or other financing for the development of Parcels D and E-1.

The Agency shall use the proceeds of the Acquisition Loans for Parcels E-3 and F, to reimburse to the Developer the purchase price paid by the Developer to acquire certain Agreed Sales Parcels as part of the Participating Parcels within Parcels A, B and/or C as referred to in Section 703 of this Agreement. The proceeds to be used to reimburse the Developer for each such Agreed Sales Parcel by the Agency shall be transferred to the Developer on the condition of, and concurrently with, execution and recordation of the Loan Agreements for the Parcel E-3 Loan and the Parcel F Loan, and closing of the mortgage loan and/or other financing for the development of Parcel F.

The Agency shall use the proceeds of the Acquisition Loan for Parcel E-2, to reimburse to the Developer the purchase price paid by the Developer to acquire certain Agreed Sales Parcels as part of the Participating Parcels within Parcels A, B and/or C as referred

to in Section 703 of this Agreement. The proceeds to be used to reimburse the Developer for each such Agreed Sales Parcel by the Agency shall be transferred to the Developer on the condition of, and concurrently with, execution and recordation of the Loan Agreement for the Parcel E-2 Loan and closing of the mortgage loan and/or other financing for the development of Parcel E-2.

B. Promissory Note and Deed of Trust for Acquisition Advances

The following procedures shall be followed for evidencing and securing Acquisition Advances with respect to the Acquisition Letter of Credit.

At the time of the first call upon the Acquisition Letter of Credit, the Agency shall execute and tender to the Developer its promissory note applicable to the Added Sales Parcels, payable to the Developer (the "Acquisition Advance Note"). The Acquisition Advance Note shall be in the amount of the Acquisition Letter of Credit, but shall provide that amounts actually due thereunder shall only be equal at any time to the cumulative amount of Acquisition Advances the Agency has taken by drawing on the Acquisition Letter of Credit. The Acquisition Advance Note shall be cumulative and shall ultimately reflect the total amount of the Acquisition Advances with respect to the Added Sales Parcels. The Acquisition Advance Note shall be periodically endorsed to reflect the specific amounts of Acquisition Advances with respect to such Acquisition Advance Note. The Acquisition Advance Note shall be nonassignable (except to the bank or other entity providing the advance of funds and reassignable from said bank or other entity to the Developer) without consent of the Agency. The Acquisition Advance Note shall bear no interest.

As each property comprising any Added Sales Parcel is acquired by deed or order of immediate possession, the Agency shall record and deliver to the Developer a first deed of trust (each an "Acquisition Trust Deed") securing the Acquisition Advance Note and encumbering the Agency's interest in each such property comprising the Added Sales Parcel. Each Acquisition Trust Deed shall name the Developer as the beneficiary and the Title Company as the trustee, and shall be on the standard short form deed of trust and assignment of rents of the Title Company. Each Acquisition Trust Deed shall refer to the principal amount of the Acquisition Letter of Credit. At the time of delivery of each Acquisition Trust Deed, the Agency shall also deliver to the Developer a title insurance policy insuring the Acquisition Trust Deed in the amount of the acquisition price to the Agency for the encumbered property. The cost of each recordation and title insurance policy shall be borne by the Developer.

The Agency's Acquisition Advance Note and the Acquisition

Trust Deeds shall comprise the security for the Developer's Acquisition Advances.

C. Repayment of Acquisition Advances

1. Upon Conveyance of Sales Parcels

Upon the conveyance of all Sales Parcels (including all Added Sales Parcels therein) within the Parcels to the Developer pursuant to this Agreement, the Developer shall cancel the Acquisition Advance Note and reconvey the Acquisition Trust Deeds that were recorded to secure the principal amount of such Acquisition Advance Note. The Acquisition Advances received by the Agency hereunder with respect to the Added Sales Parcels and the Site, shall be refinanced by the Loan Agreements (Attachment No. 14) to be entered into by the Agency and the Developer concurrently with cancellation of the Acquisition Advance Note, and the Agency shall have no further obligations with respect thereto. Thereafter the Loan Agreements only shall govern.

2. Upon Termination of the Agreement

In the event that prior to the conveyance of all Sales Parcels (including all Added Sales Parcels therein) within the Parcels to the Developer, the Agency or the Developer shall terminate this Agreement, the Acquisition Advance Note shall be all due and payable five hundred forty (540) days after the other party receives written notice of such termination. During the five hundred forty- (540) day period provided for herein, the Agency shall not be deemed to be in default on the Acquisition Advance Note and the Developer shall not be entitled to institute any foreclosure proceedings with respect to any Acquisition Trust Deed, it being the intent of the parties that during said period, the Agency shall have the right to deal freely with the secured properties comprising the Added Sales Parcels, and every part thereof, as appropriate to accomplish its right to resell as provided below in the following paragraph.

During the five hundred forty- (540) day period provided for in the previous paragraph, the Agency shall use diligent and good faith efforts to sell the secured properties comprising the Added Sales Parcels, or any part thereof, as soon and in such manner as the Agency shall find feasible and consistent with the objectives of the Redevelopment Plan to a qualified and responsible party or parties (as determined by the Agency) who will assume the obligation of making or completing the improvements, or such other improvements in their stead, as shall be satisfactory to the Agency in accordance with the uses specified for the Added Sales Parcels in the Redevelopment Plan. Upon such resale of the secured properties comprising the Added Sales Parcels, or any part thereof, the proceeds of the sale of such properties shall be applied first

to pay the Developer for the amount owing pursuant to the Acquisition Advance Note, and any balance of such proceeds remaining after such payment shall be retained by the Agency as its property.

The Acquisition Advance Note as provided for herein, shall not constitute a debt of the City of San Diego or any other public agency except the Agency, and the City of San Diego shall have no obligation whatsoever with respect to said Acquisition Advance Note. The obligation of the Agency to repay the amount of the Acquisition Advance Note shall be a special obligation of the Agency, payable only from and limited by the availability of funds to the Agency from the proceeds of the resale of the secured properties comprising the Sales Added Parcels, as provided for above in this Section II.C.2. and to that end the Developer shall have a lien on such proceeds to the extent of its interest therein. Nothing herein shall preclude the Agency from repaying the amount of the Acquisition Advance Note, or any part thereof, from any funds lawfully available to the Agency from time to time, provided that the Agency shall not be obligated to do so and this Agreement shall not create a pledge of tax increment or any other funds of the Agency to secure the Acquisition Advance Note (except the proceeds of a resale of the secured properties comprising the Added Sales Parcels, or the applicable portion thereof, as herein specifically set forth). Upon payment by the Agency to the Developer of the full amount of the Acquisition Advance Note, the Developer shall cause the cancellation of such Acquisition Advance Note and the reconveyance of the Acquisition Trust Deeds securing said Acquisition Advance Note. Subject to cancellation of the Acquisition Advance Note and reconveyance of the Acquisition Trust Deeds upon the conveyance of all Sales Parcels to the Developer as set forth in Section II.C.1., above, nothing herein shall be construed to require the Developer to cancel the Acquisition Advance Note or reconvey any Acquisition Trust Deeds except upon receipt of payment in full of the amount of the Acquisition Advance Note.

In the event the Agency has not paid the Developer the full amount of the Acquisition Advance Note within the five hundred forty- (540) day period, the Developer shall have the right to proceed against the land pertaining to such unpaid Acquisition Advance Note, in accordance with the Acquisition Trust Deeds provided by the Agency. Any purchaser of the secured properties comprising the Added Sales Parcels, or any part thereof, in foreclosure shall be required, and the Acquisition Trust Deeds shall so provide, to comply with all the provisions of the Redevelopment Plan and the Agency shall have the right to exercise any and all of its powers with respect to the secured properties, and each part thereof, under the Redevelopment Plan and the California Community Redevelopment Law.

III. ACQUISITION OF SALES PARCELS

A. Source of Funds

The Agency's responsibilities under this Agreement include the following:

1. use its good faith efforts to acquire all interests in the properties which comprise the Sales Parcels;
2. relocate the occupants therefrom and from the Participating Parcels; and
3. administer those activities.

Notwithstanding the foregoing, the Agency's obligation to use its good faith efforts to acquire all interests in the properties which comprise the Sales Parcels shall be subject to the Agency's making certain findings and adopting a resolution of necessity, in its sole discretion, pursuant to Chapter 4, Article 2 of the California Eminent Domain Law prior to the commencement of an eminent domain action. In the event that the Agency does not make the required findings and adopt a resolution of necessity, then the Agency shall not be obligated to acquire the properties which comprise the Added Sales Parcels, and the Agency shall consider in good faith proposals by the Developer to revise the boundaries of the applicable Development Parcel. If the Developer fails to submit such proposals within thirty (30) days after the Agency notifies the Developer in writing that the Agency will not acquire a specified Added Sales Parcel or Parcels, or if the Agency and the Developer do not agree on any such proposed revision of boundaries of the applicable Development Parcel within sixty (60) days after the Agency's written notice that it will not acquire, then this Agreement may be terminated pursuant to Sections 510 and 511.

The Agency's funds for items (1) through (3) above will come from the Acquisition Advances, and as to the purchase price for the Agreed Sales Parcels from the Acquisition Loans. The Acquisition Loans will also be used to refinance the Acquisition Advances. The Acquisition Loans shall be repaid to the Developer from the sources, over the period, and otherwise in accordance with the terms and conditions of a Loan Agreement for the Acquisition Loan pertaining to each applicable Parcel. Each Loan Agreement shall be substantially in the form of the "Loan Agreement" which is prepared for the Parcel A Loan, and which is incorporated herein and attached hereto as Attachment No. 14, except that before each Loan Agreement is entered into it shall be completed in accordance with the terms and conditions provided therefor in this Agreement, including without limitation: (1) the form of Loan Agreement (Attachment No. 14), which is prepared for Parcel A, shall be modified where references are to "A", to refer to "B and C" (as to

Parcels B and C) or otherwise for each applicable Parcel; (2) the Map (Exhibit A) and Legal Description (Exhibit B) to each Loan Agreement shall be completed with a precise map and legal description, and attached to the respective Loan Agreement; and (3) the Amortization Schedule (Exhibit C) to each Loan Agreement, shall be completed by attaching to the respective Loan Agreement, the Temporary Exhibit C-1 to Attachment No. 14, for each Parcel (or Parcels B and C combined) subject to a Loan Agreement, as applicable. The Loan Agreements shall be executed and acknowledged by the Agency and the Developer, and recorded within the times established respectively therefor in the Schedule of Performance (Attachment No. 3).

B. Description of Added Sales Parcels

The potential Added Sales Parcels to be acquired by the Agency within each Development Parcel are illustrated generally on Exhibit A to this Method of Financing, and the amount of land therein is estimated to be (subject to refinement by survey prior to acquisition, and adjusting each area by increasing for proposed public rights-of-way, and decreasing for existing public rights-of-way, related to the applicable Added Sales Parcel) approximately as follows:

<u>Development Parcel</u>	<u>Land Area (Square Feet)</u>
Parcel A	None
Parcel B	14,168
Parcel C	161,668
Parcel D	None
Parcel E-1	None
Parcel E-2	None

The actual Added Sales Parcels to be acquired by the Agency within each Development Parcel shall be those potential Added Sales Parcels with respect to which the Developer, or an entity under contract to the Developer, has not acquired title in the condition required by this Agreement, or as to property No. 4 (as shown on Exhibit A hereto) entered into a binding agreement to timely acquire such title, on or before June 1, 2000. The Developer shall, on or before June 1, 2000, deliver to the Agency (1) evidence reasonably satisfactory to the Agency demonstrating which potential Added Sales Parcels the Developer, or such entity under contract to the Developer, has acquired as described above, which shall therefore be deemed Participating Parcels (and subject to designation as Agreed Sales Parcels), and (2) evidence of the acquisition status of the potential Added Sales Parcels which the Developer, or such entity under contract to the Developer, has been unable to acquire, and designating such potential Added Sales Parcels as actual Added Sales Parcels.

C. Description of Agreed Sales Parcels

The Agreed Sales Parcels to be acquired by the Agency within Development Parcels A, B and/or C from the proceeds of the Loan Agreements for Development Parcels B and C, shall be designated by the Developer from the Participating Parcels within Development Parcels A, B and/or C (and the Agency notified in writing thereof) at least thirty (30) days before the date established in the Schedule of Performance (Attachment No. 3) for the Developer to cause all owners of properties comprising such Agreed Sales Parcels to enter into the Purchase Agreement with the Agency therefor. The amount of land area to be so designated by the Developer as Agreed Sales Parcels shall be determined by subtracting from the Principal Amounts under the two Loan Agreements for Development Parcels B and C (that is: \$1,876,000), all actual costs and expenses related to acquiring and relocating occupants from the Added Sales Parcels (referred to in Section II.A.3.a. through d. of this Method of Financing), and from relocating occupants from the Participating Parcels and the parts thereof designated as Agreed Sales Parcels (referred to in Section 702), and dividing the difference by \$6.00 per square foot: By way of illustration only, the amount of land area within Development Parcels A, B and/or C to be designated as Agreed Sales Parcels pursuant to this paragraph is estimated to be (subject to refinement by survey prior to acquisition, and determination of the actual costs and expenses of acquisition of the Added Sales Parcels and Agreed Sales Parcels (with respect to Agreed Sales Parcels, other than land cost), and relocation from the Site) approximately as follows: \$1,876,000, minus \$500,000 (estimated actual applicable costs and expenses of acquisition and relocation), or \$1,376,000, divided by \$6.00 per square foot, or 229,333 square feet.

The Agreed Sales Parcels identified to be acquired by the Developer within Development Parcels A, B and/or C as part of the Participating Parcels therein, in contemplation that the Agency reimburse the Developer for its purchase price therefor if the mortgage loan and/or other financing for the development of Parcel A closes, shall be designated by the Developer from the Participating Parcels within Development Parcels A, B and/or C (and the Agency notified in writing thereof) at least thirty (30) days before the date established in the Schedule of Performance (Attachment No. 3) for the Developer to cause all owners of properties comprising the Agreed Sales Parcels to be acquired by the Agency within Development Parcels A, B and/or C from the proceeds of the Loan Agreements for Development Parcels B and C, to enter into the Purchase Agreement with the Agency therefor. The amount of land area to be designated by the Developer as Agreed Sales Parcels within Development Parcels A, B and/or C pursuant to this paragraph, shall be the Principal Amount of the Parcel A Loan (that is, \$1,780,000), divided by \$6.00 per square foot, or 296,667 square feet.

The Agreed Sales Parcels identified to be acquired by the Developer within Development Parcels A, B and/or C as part of the Participating Parcels therein, in contemplation that the Agency reimburse the Developer for its purchase price therefor if the mortgage loan and/or other financing for the development of Parcels D and E-1 closes, shall be designated by the Developer from the Participating Parcels within Development Parcels A, B and/or C (and the Agency notified in writing thereof) at least thirty (30) days before the date established in the Schedule of Performance (Attachment No. 3) for the Developer to cause all owners of properties comprising the Agreed Sales Parcels to be acquired by the Agency within Development Parcels A, B and/or C from the proceeds of the Loan Agreements for Development Parcels B and C, to enter into the Purchase Agreement with the Agency therefor. The amount of land area to be designated by the Developer as Agreed Sales Parcels within Development Parcels A, B and/or C pursuant to this paragraph, shall be the Principal Amount of the Parcel D Loan (that is, \$70,000), plus the Principal Amount of the Parcel E-1 Loan (that is: \$720,000), divided by \$6.00 per square foot, or 131,667 square feet.

The Agreed Sales Parcels identified to be acquired by the Developer within Development Parcels A, B and/or C as part of the Participating Parcels therein, in contemplation that the Agency reimburse the Developer for its purchase price therefor if the mortgage loan and/or other financing for the development of Parcel F closes, shall be designated by the Developer from the Participating Parcels within Development Parcels A, B and/or C (and the Agency notified in writing thereof) at least thirty (30) days before the date established in the Schedule of Performance (Attachment No. 3) for the Developer to cause all owners of properties comprising the Agreed Sales Parcels to be acquired by the Agency within Development Parcels A, B and/or C from the proceeds of the Loan Agreements for Development Parcels B and C, to enter into the Purchase Agreement with the Agency therefor. The amount of land area to be designated by the Developer as Agreed Sales Parcels within Development Parcels A, B and/or C pursuant to this paragraph, shall be the Principal Amount of the Parcel E-3 Loan (that is: \$990,000), plus the Principal Amount of the Parcel F Loan (that is: \$1,160,000), divided by \$6.00 per square foot, or 358,333 square feet.

The Agreed Sales Parcels to be acquired by the Developer within Development Parcels A, B and/or C as part of the Participating Parcels therein, in contemplation that the Agency reimburse the Developer for its purchase price therefor if the mortgage loan and/or other financing for the development of Parcel E-2 closes, shall be designated by the Developer from the Participating Parcels within Development Parcels A, B and/or C (and the Agency notified in writing thereof) at least thirty (30) days before the date established in the Schedule of Performance

(Attachment No. 3) for the Developer to cause all owners of properties comprising the Agreed Sales Parcels to be acquired by the Agency within Development Parcels A, B and/or C from the proceeds of the Loan Agreement for Development Parcels B and C, to enter into the Purchase Agreement with the Agency therefor. The amount of land area to be designated by the Developer as Agreed Sales Parcels within Development Parcels A, B and/or C pursuant to this paragraph, shall be the Principal Amount of the Parcel E-2 Loan (that is: \$455,000), divided by \$6.00 per square foot, or 75,833 square feet.

IV. ADDITIONAL DEVELOPER FINANCING COMPONENTS AT CLOSING

A. Parcels B and C

Notwithstanding any other provision of this Agreement, Parcels B and C shall be treated as one consolidated parcel under this Agreement. The consolidated parcel shall be owned, developed, financed, held, operated and transferred as a whole, single development (subject to the sale, transfer, conveyance or assignment of individual pads in accordance with Section 316). The Public Use Leases and Loan Agreements applicable to Parcels B and C shall be consolidated into one Public Use Lease and one Loan Agreement for the consolidated parcel, by summing the components of each Public Use Lease and each Loan Agreement so the totals for both remain the same, and by making other conforming changes in the consolidated documents as the context may require.

B. Parcels D and E-1

Concurrently with the closing of the mortgage loan and/or other financing for the development of Parcels D and E-1, and as part of the Developer's second submission of evidence of financing with respect thereto (referred to in Section 214 of the Agreement), the Developer shall complete the following actions:

1. The rights to receive all payments (including interest) by the Agency on account of Principal Amount D under the Loan Agreement pertaining to the Parcel D Loan, shall be assigned to or for the benefit of the Developer of Parcel E-1, by instrument reasonably satisfactory to the Agency (by its Executive Director or his designee).
2. A lump sum capital payment of \$1,290,000 shall be made on account of Parcel D to or for the benefit of the Developer of Parcel E-1, towards the development costs of Parcel E-1.

C. Parcels E-3, F and/or E-2

Concurrently with the closing of the mortgage loan and/or other financing for the development of Parcel E-3, and as part of the Developer's second submission of evidence of financing with respect thereto (referred to in Section 214 of the Agreement), the Developer shall complete the following action:

1. The Developer shall pay to the Agency as Additional Purchase Price for the Sales Parcel within Parcel E-3 the amount of \$658,000.

Concurrently with the closing of the mortgage loan and/or other financing for the development of Parcel F, and as part of the Developer's second submission of evidence of financing with respect thereto (referred to in Section 214 of the Agreement), the Developer shall complete the following action:

1. The rights to receive all payments (including interest) by the Agency on account of Principal Amount E-3 under the Loan Agreement pertaining to the Parcel E-3 Loan, shall be assigned to or for the benefit of the Developer of Parcel F, by instrument reasonably satisfactory to the Agency (by its Executive Director or his designee).

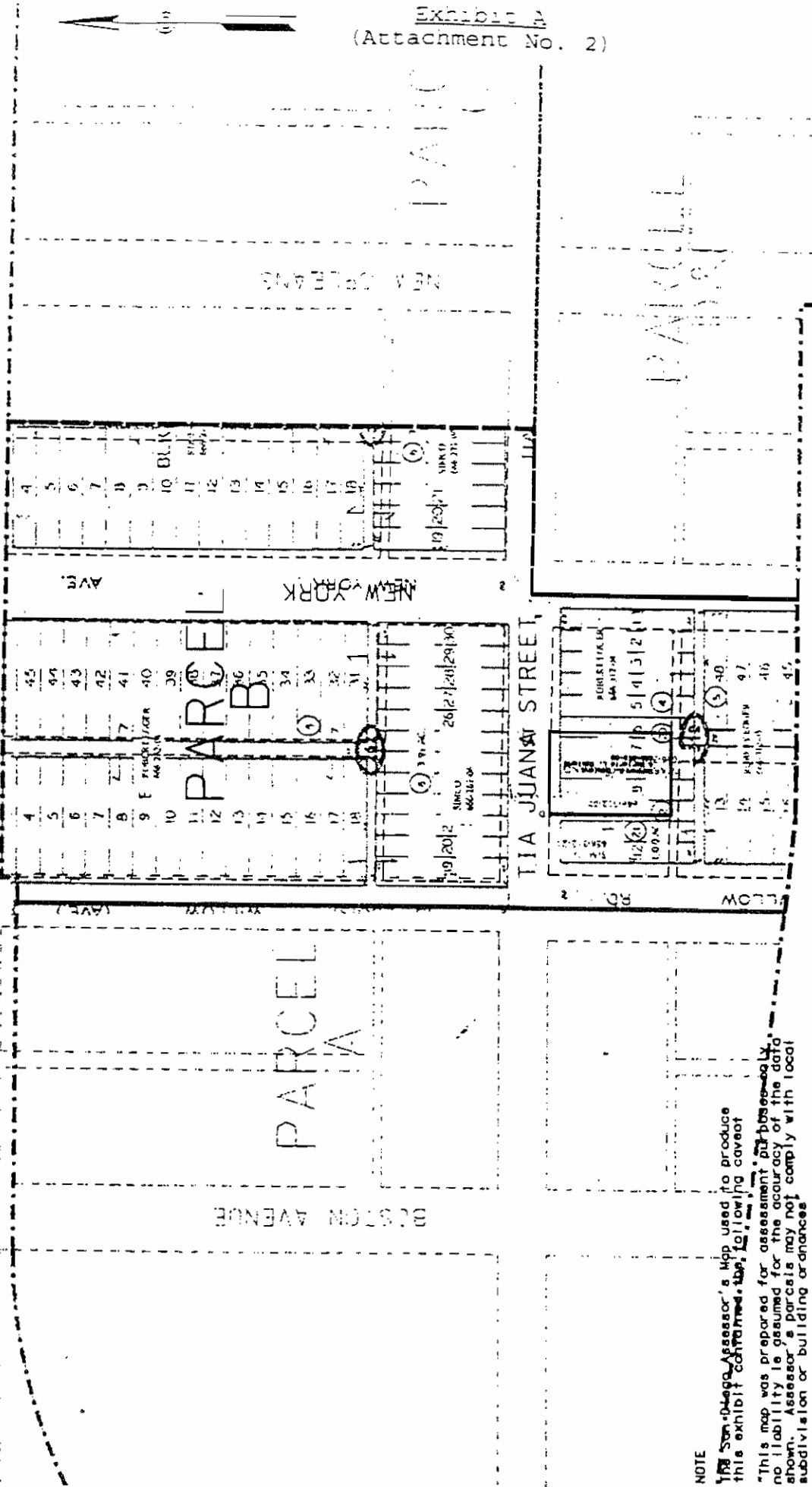
Concurrently with the closing of the mortgage loan and/or other financing for the development of Parcel E-2, and as part of the Developer's second submission of evidence of financing with respect thereto (referred to in Section 214 of the Agreement), the Developer shall complete the following action:

1. None.

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Exhibit A
(Attachment No. 2)

CAMINO DE LA PLAZA



NOTE
This San Diego Assessor's Map used to produce this exhibit contained the following caveat:
"This map was prepared for assessment purposes only. No liability is assumed for the accuracy of the data shown. Assessor's parcels may not comply with local subdivision or building ordinances."

NO. DATE		REVISIONS		BY		DATE		DESIGNED BY		DATE		DRAWN BY		DATE		CHECKED BY		DATE		PROJ. ENG.		DATE	

1" = 100'

CONTRACT NO.

DEVELOPMENT PARCEL B

RETAIL

FOR REDUCED PLANS

ORIGINAL SCALE IS IN INCHES

The San Diego Assessor's Map used to produce this exhibit contained the following caveat:

"This map was prepared for assessment purposes only. No liability is assumed for the accuracy of the data shown. Assessor's parcels may not comply with local subdivision or building ordinances."

Exhibit A
Page 2 of 2

NO.	APN	OWNER	ACRES	USE
1	666-272-12	WARREN H. OAKLAND	0.08	UNDEVELOPED
2	666-281-28	ALFONSO LOPEZ	0.161	DEVELOPED
3	666-261-53	EDWARS/WELCH	0.103	UNDEVELOPED
4	666-282-15	RAJA MEH INSURANCES SERVICES	0.48	DEVELOPED
6	666-282-11	FRATZEL SAN YSIDRO PROP. L.T.O.	0.414	DEVELOPED
7	666-281-870 14	SAN YSIDRO INVESTMENTS, INC.	0.988	UNDEVELOPED
8	666-272-04	WARREN H. OAKLAND	0.366	UNDEVELOPED
9	666-272-10	SAN YSIDRO INVESTMENTS, INC.	0.08	UNDEVELOPED
10	666-281-04	EMILIO VERDUGO BLANCART	0.161	DEVELOPED
11	666-281-03	JULIAN M. GARCIA	0.08	UNDEVELOPED
12	666-281-02	JULIAN M. GARCIA	0.161	DEVELOPED

Exhibit A
Page 2 of 2

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AMENDED
ATTACHMENT NO. 3

SCHEDULE OF PERFORMANCE

I. GENERAL PROVISIONS

- | | | |
|----|--|---|
| 1. | <u>Execution of First Implementation Agreement by Agency.</u> Agency shall hold a meeting on this First Implementation Agreement, shall authorize execution and execute this First Implementation Agreement, and shall deliver this First Implementation Agreement to Developer. | Within sixty (60) days after the First Implementation Agreement is executed by Developer and submitted to Agency. |
| 2. | <u>Submission - Revised Basic Concept Drawings.</u> Developer shall submit to Agency for approval the Revised Basic Concept Drawings and related documents for the Site. | Prior to or concurrent with submission of the executed First Implementation Agreement by Developer. |
| 3. | <u>Approval - Revised Basic Concept Drawings.</u> Agency shall approve or disapprove the Revised Basic Concept Drawings and related documents for the Site. | Prior to or concurrent with execution of the First Implementation Agreement by Agency. |
| 4. | <u>Evidence of Predevelopment Financing.</u> Developer shall submit to Agency, Developer's first submission of evidence of financing referred to in Section 214 of this Agreement with respect to the entire Site. | Completed. |
| 5. | <u>Approval of Predevelopment Financing.</u> Agency shall approve or disapprove Developer's first submission of evidence of financing and shall so notify Developer. | Completed. |

II. PREDEVELOPMENT ACTIVITIES

- | | | | |
|----|---|--|--------------|
| 1. | <u>Obtaining Bi-National Authorization for River Pedestrian Bridge.</u> Agency (and City) and Developer shall commence and diligently attempt to obtain Bi-National Authorization for the River Pedestrian Bridge (referred to in Section 708). | Amended
see 5th
July Agree | ie 30, 2001. |
| 2. | <u>Submission - Overall Civil Engineer.</u> Developer shall submit to Agency for approval the name and qualifications of its Overall Civil Engineer. | Completed. | |
| 3. | <u>Approval - Overall Civil Engineer.</u> Agency (by its Executive Director or his designee) shall approve or disapprove the Overall Civil Engineer. | Completed. | |
| 4. | <u>Submission - Preliminary Subdivision Map.</u> Developer shall prepare and submit to Agency and City for approval the Preliminary Subdivision Map for the Site. | Within one hundred fifty (150) days after execution of the First Implementation Agreement by Agency. | |
| 5. | <u>Intentionally Omitted.</u> | <u>Intentionally Omitted.</u> | |
| 6. | <u>Preliminary Subdivision Map.</u> Developer shall diligently attempt to obtain approval from the Agency and City of the Preliminary Subdivision Map with respect to the Site (referred to in Section 704). | Within two hundred seventy (270) days after receipt by Agency and City. | |
| 7. | <u>Intentionally Omitted.</u> | <u>Intentionally Omitted.</u> | |
| 8. | <u>Intentionally Omitted.</u> | <u>Intentionally Omitted.</u> | |

9. Submission - Proposal for Federal Agencies Cooperation Agreement. Agency shall prepare and submit to the appropriate Federal Agencies a proposal for a Federal Agencies Cooperation Agreement (referred to in Section 712).
- Within one hundred two (120) days after Bi-National Authorization for the River Pedestrian Bridge.
10. Federal Agencies Agreement to Negotiate. Agency shall diligently attempt to obtain a commitment by the appropriate Federal Agencies to negotiate a Federal Agencies Cooperation Agreement.
- Within three hundred (300) days after Bi-National Authorization for the River Pedestrian Bridge.
11. Federal Agencies Cooperation Agreement. Agency shall commence and diligently attempt to enter into a Federal Agencies Cooperation Agreement.
- Within sixteen (16) months after Bi-National Authorization for the River Pedestrian Bridge.
- III. PROPERTY ACQUISITION RELOCATION AND SITE ASSEMBLY
1. Delivery of Developer's Advance. Developer shall deliver to Agency its Acquisition Letter of Credit pertaining to the Added Sales Parcels (referred to in Section II.A.1. of the Method of Financing), and the Agreed Sales Parcels and Participating Parcels (referred to in Section 702).
- With respect to the initial Acquisition Letter of Credit in the amount of the Agency's estimated pre-offer costs, within ninety (90) days after execution of the First Implementation Agreement by Agency.
- With respect to the increase in or substitute Acquisition Letter of Credit providing an additional amount for the Agency's estimated purchase price and other related costs, within thirty (30) days after receipt of written request therefor from Agency.

2. Agency - Commencement of Acquisition of Added Sales Parcels. Subject to the prior satisfaction of all conditions precedent required by law, Agency shall commence and diligently prosecute the acquisition and obtaining possession of the real properties comprising the Added Sales Parcels. Within fifteen (15) days after receipt of the increase in or substitute Acquisition Letter of Credit by Agency.
3. Purchase Agreement for Agreed Sales Parcels. Developer shall cause all owners of properties comprising the Agreed Sales Parcels within each Development Parcel, as applicable, to enter into the Purchase Agreement with the Agency therefor (referred to in Section 716). At least thirty (30) days prior to the date established herein for conveyance of title to such Sales Parcels to Developer.
4. Agency - Completion of Acquisition. Subject to the prior satisfaction of all conditions precedent required by law, Agency shall complete the acquisition of the real properties comprising the Sales Parcels, and shall complete the relocation of all occupants from the Sales Parcels. On or before the date established herein for conveyance of all Sales Parcels within the Parcels to Developer.
5. Acquisition of Participating Parcels. Developer shall obtain title and possession to the real properties comprising the Participating Parcels with the Site (referred to in Section 703). On or before the date established herein for conveyance of all Sales Parcels within the Parcels to Developer
6. Agency - Relocation from Participating Parcels. Agency shall complete the relocation of all eligible occupants from the Participating Parcels. On or before the date established herein for conveyance of all Sales Parcels within the Parcels to Developer

7. Federal/State Approvals. Developer shall commence and diligently attempt to obtain the Federal/State Approvals with respect to each applicable Parcel (referred to in Section 711).

On or before the date established herein for closing of the mortgage loan and/or other financing for development of the applicable Parcel.

IV. CONVEYANCE AND CONSTRUCTION - BY PARCEL

1. Submission - Architect and Landscape Architect for Each Parcel. Developer shall submit to the Agency for approval the name and qualifications of its Architect and Landscape Architect for each applicable Parcel.

With respect to Parcels B and C, prior to or concurrent with submission of the executed First Implementation Agreement by Developer.

With respect to each other Parcel, at least one hundred (100) days prior to the date established herein for Developer to submit to Agency for approval the Schematic/Design Development Drawings and Preliminary Landscaping and Grading Plans for the applicable Parcel.

2. Approval - Architect and Landscape Architect. Agency (by its Executive Director or his designee) shall approve or disapprove the Architect and Landscape Architect.

With respect to Parcels B and C, prior to or concurrent with execution of the First Implementation Agreement by Agency.

With respect to each other Parcel, within fifteen (15) days after receipt of the name and qualifications of each such Architect and Landscape Architect by Agency.

3. Schematic/Design Drawings and Landscaping and Grading Plans. Developer shall submit to Agency for approval the Schematic/Design Drawings and Landscaping and Grading Plans for the applicable Parcel.

With respect to Parcels B and C, within one hundred (100) days after execution of the First Implementation Agreement by Agency.

With respect to Parcel A,

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Drawings and Preliminary Landscaping and Grading Plans for each applicable Parcel.

within eighteen (18) months after execution of the First Implementation Agreement by Agency.

With respect to Parcels D and E-1, within ninety (90) days after the Agency and appropriate Federal Agencies have executed the Federal Agencies Cooperation Agreement.

With respect to Parcels E-2 and E-3, within twenty-four (24) months after execution of the First Implementation Agreement by Agency.

With respect to Parcel F, on or before the date established herein for submission of Schematic/Design Development Drawings and Preliminary Landscaping and Grading Plans for Parcel E-2.

With respect to Parcel E-4, within twenty-four (24) months after execution of the First Implementation Agreement by Agency.

4. Approval - Schematic/Design Development Drawings and Preliminary Landscaping and Grading Plans. Agency shall approve or disapprove the Schematic/Design Development Drawings and Preliminary Landscaping and Grading Plans for each applicable Parcel.

On or before the date established herein for Developer to obtain approval from the City of the City Permit Package with respect to the applicable Parcel.

5. City Permit Package. Developer shall commence and diligently attempt to obtain approval from the City, for the City Permit Package with respect to each applicable Parcel (referred to in Section 710).

As soon as reasonable possible after receipt by Agency of the Schematic/Design Development Drawings and Preliminary Landscaping and Grading Plans for the applicable Parcel, but not more than two hundred seventy (270) days after such receipt.

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Within ninety (90) days after approval by Agency of the Schematic/Design Development Drawings and Preliminary Landscaping and Grading Plans for the applicable Parcel.

7. Approval - 50% Construction Drawings. Agency (by its Executive Director or his designee) shall approve or disapprove the 50% Construction Drawings and Specifications for each applicable Parcel.

Within thirty (30) days after receipt by Agency.

8. Submission - Final Construction Drawings and Specifications and Final Landscaping and Finish Grading Plans. Developer shall prepare and submit to Agency for approval the Final Construction Drawings and Specifications and the Final Landscaping and Finish Grading Plans for each applicable Parcel.

Within ninety (90) days after approval by Agency of the 50% Construction Drawings and Specifications for the applicable Parcel.

Note: These drawings will be submitted in normal increments as they are completed.

9. Approval - Final Construction Drawings and Specifications and Final Landscaping and Finish Grading Plans. Agency (by its Executive Director or his designee) shall approve or disapprove the Final Construction Drawings and Specifications and Final Landscaping and Finish Grading Plans for each applicable Parcel.
- Note: These drawings will be approved in increments as they are submitted.
10. Evidence of Financing. Developer shall submit to Agency, Developer's second submission of evidence of financing referred to in Section 214 of this Agreement with respect to each applicable Parcel.
- Developer shall submit to Agency, Developer's third submission of evidence of financing referred to in Section 214 of this Agreement with respect to each applicable Parcel.
11. Approval of Financing. Agency shall approve or disapprove each submission of Developer's evidence of financing for each applicable Parcel and shall so notify Developer.
12. Opening of Escrow. Agency shall open an escrow for conveyance of all Sales Parcels within the Parcels.
- Within forty (45) days after receipt by Agency.
- At least sixty (60) days prior to the date established herein for closing of the mortgage loan and/or other financing for the applicable Parcel.
- At least thirty (30) days prior to the date established herein for closing of the mortgage loan and/or other financing for the applicable Parcel.
- Within thirty (30) days after receipt of each such submission of evidence of financing by Agency.
- At least thirty (30) days prior to the date established herein for conveyance of title to such Sales Parcels to Developer.

13. Conveyance of Title. Agency shall convey title or possession to Developer, and Developer shall accept such conveyance, with respect to all Sales Parcels within the Parcels. Within the earlier of: thirty (30) days after approval by Agency of Final Construction Drawings and Specifications and Final Landscaping and Finish Grading Plans for Parcels B and C, or (2) twenty-one (21) months after execution of the First Implementation Agreement by Agency.
14. Final Subdivision Map. Developer shall commence and diligently attempt to obtain approval from the City of the Final Subdivision Map (referred to in Section 704), and the Final Subdivision Map shall be recorded with respect to the Site. Concurrently with conveyance of all Sales Parcels within the Parcels, to Developer.
15. Agreements to be Recorded Affecting Real Property. Developer and Agency shall execute and cause to be recorded against each Participating Parcel, an Agreement to be Recorded Affecting Real Property (referred to in Section 705). Concurrently with conveyance of all Sales Parcels within the Parcels to Developer.
16. Development Agreement with City. Developer may commence and diligently attempt to enter into a Development Agreement with the City (referred to in Section 707), and, if successful, the Development Agreement shall be recorded with respect to the Site. Concurrently with conveyance of all Sales Parcels within the Parcels to Developer.
17. Overall REA. Developer shall execute and record the Overall REA with respect to the Site (referred to in Section 706). Concurrently with conveyance of all Sales Parcels within the Parcels to Developer.

18. Subsequent Parcel Maps. Developer shall commence and diligently attempt to obtain approval from the City of each Subsequent Parcel Map (referred to in Section 704), and the Subsequent Parcel Map shall be recorded with respect to each applicable Parcel.
19. Subsequent REAs. Developer shall execute and record any Subsequent REA with respect to each applicable Parcel (referred to in Section 706).
20. Public Use Leases to City. Developer shall commence and diligently attempt to enter into Public Use Leases with the City with respect to Parcels B and C, and with respect to Parcel A, (referred to in Section 718).
- Concurrently with closing of the mortgage loan and/or other financing for development of the applicable Parcel.
- Concurrently with closing of the mortgage loan and/or other financing for development of the applicable Parcel.
- Concurrently with closing of the mortgage loan and/or other financing for development of Parcels B and C, or Parcel A, as applicable.

21. Loan Agreements. Developer and Agency shall execute and cause to be recorded with respect to each applicable Parcel, the Loan Agreement related thereto (referred in Section III. of the Method of Financing (Attachment No. 2) of the Agreement).

With respect to Parcel B and C, concurrently with closing of the mortgage loan and/or other financing for development of Parcels B and C.

With respect to Parcel A, concurrently with closing of the mortgage loan and/or other financing for development of Parcel A.

With respect to Parcel E-1, concurrently with closing of the mortgage loan and/or other financing for development of Parcels D and E-1.

With respect to each of Parcels E-3 and F, concurrently with closing of the mortgage loan and/or other financing for development of Parcel F.

With respect to Parcel E-2, concurrently with closing of the mortgage loan and/or other financing for development of Parcel E-2.

22. Closing of Financing. Developer shall cause to be closed the mortgage loan and/or other financing for the development of each applicable Parcel.

With respect to Parcels B and C, both concurrently, and concurrently with conveyance of all Sales Parcels within the Parcels to Developer, and in any event within the earlier of: (1) thirty (30) days after approval by Agency of Final Construction Drawings and Specifications and Final Landscaping and Finish Grading Plans for Parcels B and C, or (2) twenty-one (21) months after execution of the First Implementation Agreement by Agency.

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With respect to Parcel A, within the earlier of: (1) thirty (30) days after approval by Agency of Final Construction Drawings and Specifications and Final Landscaping and Finish Grading Plans for Parcel A, or (2) thirty six (36) months after execution of the First Implementation Agreement by Agency.

With respect to Parcels D and E-1, both concurrently, and within the earlier of: (1) thirty (30) days after approval by Agency of Final Construction Drawings and Specifications and Final Landscaping and Finish Grading Plans for Parcels D and E-1, or (2) twenty-one (21) months after the Agency and appropriate Federal Agencies have executed the Federal Agencies Cooperation Agreement.

With respect to Parcel E-3, within the earlier of: (1) thirty (30) days after approval by Agency of Final Construction Drawings and Specifications and Final Landscaping and Finish Grading Plans for Parcel E-3, or (2) forty-two (42) months after execution of the First Implementation Agreement by Agency.

With respect to Parcel F, only concurrently with or after Parcel E-3, and within the earlier of: (1) thirty (30) days after approval by Agency of Final Construction Drawings and Specifications and Final

Landscaping and Final Grading Plans for Parcel A, or (2) forty-two (42) months after execution of the First Implementation Agreement by Agency.

With respect to Parcel E-2, only concurrently with or after Parcel F, and within the earlier of: (1) thirty (30) days after approval by Agency of Final Construction Drawings and Specifications and Final Landscaping and Finish Grading Plans for Parcel E-2, or (2) forty-two (42) months after execution of the First Implementation Agreement by Agency.

With respect to Parcel E-4, within the earlier of: (1) thirty (30) days after approval by Agency of Final Construction Drawings and Specifications and Final Landscaping and Finish Grading Plans for Parcel E-4, or (2) forty-two (42) months after execution of the First Implementation Agreement by Agency.

23. Commencement of Construction. Developer shall commence construction of the improvements on each applicable Parcel.

Within thirty (30) days after closing of the mortgage loan and/or other financing for the development of the applicable Parcel.

24. Completion of Construction. Developer shall complete construction of the development of each applicable Parcel.

With respect to Parcels B and C, within fifteen (15) months after closing of the mortgage loan and/or other financing for the development of such Parcels.

With respect to Parcels A, D, E-1, E-2, E-3, E-4 and F, within eighteen (18) months after closing of the mortgage loan and/or other financing for the development of the applicable Parcel.

25. Construction of Public Improvements. Developer shall commence and complete the construction of public improvement work referred to in the Scope of Development (Attachment No. 4) to be performed by Developer with respect to each applicable Phase.

With respect to Phase IA Public Improvements, on a schedule which will coordinate with, and assure completion on or before, the construction schedule for the development of Parcels B and C by Developer.

With respect to Phase IB Public Improvements, on a schedule which will coordinate with, and assure completion on or before, the construction schedule for the development of Parcel A by Developer.

With respect to Phase II Public Improvements, on a schedule which will coordinate with, and assure completion on or before, the construction schedule for the development of Parcel E-3 by Developer.

V. ACQUISITION AND CONSTRUCTION
- RIVER PEDESTRIAN BRIDGE

1. Bridge Implementation Plan. Developer shall prepare and adopt, and shall diligently attempt to obtain firm commitments by all public and private entities necessary or appropriate for implementation, and shall obtain approval by Agency, of the Bridge Implementation Plan (referred to in Section 717).

Within sixteen (16) months after Bi-National Authorization for the River Pedestrian Bridge.
2. Final Construction Drawings and Specifications and Final Landscaping and Finish Grading Plans. Developer shall complete and approve Final Construction Drawings and Specifications and Final Landscaping and Finish Grading Plans for the River Pedestrian Bridge.

In accordance with the schedule set forth in the Bridge Implementation Plan, which in any event shall be not later than twenty four (24) months after the date that the Bridge Implementation Plan is approved by Agency.
3. Discretionary and Building Permits. Developer shall use diligent and good faith efforts to obtain approval of any discretionary and building permits (U.S. and Mexico) required for the construction of the River Pedestrian Bridge.

In accordance with the schedule set forth in the Bridge Implementation Plan, which in any event shall be not later than twenty four (24) months after the date that the Bridge Implementation Plan is approved by Agency.
4. Definitive Implementation Agreements. Developer shall commence and diligently attempt to enter into all definitive implementation agreements (e.g. fiduciary trust, construction contract, franchise, etc.) needed to implement the River Pedestrian Bridge.

In accordance with the schedule set forth in the Bridge Implementation Plan, which in any event shall be not later than twenty four (24) months after the date that the Bridge Implementation Plan is approved by Agency.

5. Completion of Acquisition and Relocation. Developer shall diligently attempt to complete the acquisition of the real properties and/or rights-of-way necessary for the River Pedestrian Bridge, and complete the relocation of all occupants from the applicable properties.

In accordance with the schedule set forth in the Bridge Implementation Plan, which in any event shall be not later than the date established herein for commencement of construction of the River Pedestrian Bridge by Developer.

6. Commencement of Construction. Developer shall commence construction of the River Pedestrian Bridge.

In accordance with the schedule set forth in any Bridge Implementation Plan, which in any event shall be not later than twenty six (26) months after the date that the Bridge Implementation Plan is approved by Agency.

7. Completion of Construction. Developer shall complete construction of the River Pedestrian Bridge.

In accordance with the schedule set forth in the Bridge Implementation Plan, which in any event shall be not later than nine (9) months after commencement of construction of the River Pedestrian Bridge.

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AMENDED
ATTACHMENT NO. 4

SCOPE OF DEVELOPMENT

A. Developer Responsibilities

1. Development of Parcels

The Developer, at its cost and expense, shall construct or cause to be constructed on each Development Parcel:

a. Parcel A - Retail

Parcel A represents a gross land area of approximately 22.5 acres, and is situated on the western third of the project. It is a triangular parcel bounded on the south by the Tijuana River levee; on the north and west by the relocated alignment of Camino de la Plaza; and on the east by Parcels B, D and F.

Parcel A will be developed with approximately 247,050 square feet of retail and food services on the southern half of the Parcel fronting generally toward Camino de la Plaza, and a free standing retail pad adjacent to Camino de la Plaza. Anticipated uses may include one or more "big box" anchor tenants, retail commercial uses similar to Parcels B and C, and several mid-scale retail users.

Proposed parking will exceed 4 spaces per 1,000 square feet of gross leasable area (GLA), and will contain approximately 1,235 parking spaces on site.

Parcel A will be connected to other Development Parcels by way of a pedestrian promenade, contiguous parking and drive isles.

b. Parcel B - Retail

Parcel B represents a gross land area of approximately 13.1 acres, and is situated in the middle third of the project. It is a rectangular "L" shaped parcel bounded on the south by Parcels D and F; on the north by Camino de la Plaza; on the west by Parcel A; and on the east by Parcel C.

*Amended
see 5th
Imp. Agree*

Parcel B will be developed with approximately 113,900 square feet (with the option to build an additional 50,000 square feet) of retail commercial uses, set on the southern half of the Parcel and several free standing retail pads, including some with potential drive-throughs, adjacent to Camino de la Plaza. The specific uses for Parcel B will be coordinated with the uses obtained for Parcels A and C.

Proposed parking will exceed 4 spaces per 1,000 square feet of gross leasable area (GLA), and will contain approximately 820 parking spaces on site.

Parcel B will be connected to other Development Parcels by way of a pedestrian promenade, contiguous parking and drive isles.

c. Parcel C - Retail

Parcel C represents a gross land area of approximately 18.7 acres, and is situated within the northeast quadrant of the Site. It is an irregular parcel. Parcel C is generally bounded by Camino de la Plaza on the north; Virginia Avenue on the east; Parcel B on the west; and Parcels D, F, E-2 and E-3 on the south.

Parcel C will be developed with a gross leasable area of approximately 211,569 square feet, set on the southern half of the project site fronting generally north and outward. It is anticipated that the primary use of Parcel C will be retail commercial uses and food services, with the opportunity for some medium sized uses on the eastern half of the property. There are several freestanding retail pads, including some with potential drive-throughs, located along Camino de la Plaza.

Proposed parking will exceed 4 spaces per 1,000 square feet of gross leasable area (GLA), and will contain approximately 1,058 parking spaces on site.

Parcel C will be connected to other Development Parcels by way of a pedestrian promenade, contiguous parking and drive isles.

d. Parcel D - Multi-modal Transit Center

Parcel D is envisioned as the site for a multimodal

transit center and, potentially, the source of air rights (Parcel F) for a future garage. Parcel D. is approximately 3.0 acres.

The multimodal transit center will provide organized space and facilities to support drop off and pick up of bus passengers; modal transfers between private auto, taxi, public transit, bus, and pedestrian traffic; and sale of tickets to the various modes of travel provided therein. Certain of such uses will be provided in a building containing approximately 4,000 square feet. Parcel D lies generally south of Parcels B and C, west of Parcel E-1; and east of Parcel A. Its southern boundary is the Tijuana River Flood Control Channel.

Parcel D will be developed in coordination with Parcel E-1, and it will be operated with ingress and egress along Tijuana Street or associated drives, with a connection to Camino de la Plaza to the west.

Parcel D will be connected to other Development Parcels by way of a pedestrian promenade and ancillary drive isles.

Prior to the time for commencement of construction of the foregoing improvements, Parcel D may be improved and operated on a temporary basis, as a parking lot and ancillary uses.

e. Parcel E-1 - Gateway

Parcel E-1 represents a gross land area of approximately 4.1 acres, and is situated immediately east of Parcels C and D within the southwest quadrant of Parcel E. Parcel E-1 is bounded by the Tijuana River levee to the south. The Lincoln Glorietta will be contained partly within Parcel E-1.

Parcel E-1 will be developed for general office space, and to provide space for Federal Inspection Service Agencies (FISA) for the operation of the Louisiana Avenue port of entry functions. The development of Parcel E-1 will occur in a manner to create a public plaza on United States soil whose only access to the United States is through FISA controlled stations. In addition to FISA, other uses may include local police facilities, City

and/or County public services, office, and ground floor retail. It is estimated that these uses will occupy approximately 90,000 square feet.

Proposed parking will exceed 4 spaces per 1,000 square feet of gross leasable area (GLA), and will contain approximately 360 parking spaces located either temporarily on the surface of Parcels E-2, E-3 and/or E-4, and/or permanently within the parking garage on Parcel F.

Parcel E-1 will surround a public plaza that represents the focal point of the International Gateway of the Americas promenade and esplanade system of pedestrian circulation. The plaza will also be the initial entry point into the United States for users of the proposed River Pedestrian Bridge.

f. Parcel E-2 - Office Tower

Parcel E-2 represents a gross land area of approximately 0.9 acres and is situated in the northwest quadrant of Parcel E, to the north of Parcel E-1 and the west of Parcel E-3. It is a generally rectangular parcel.

Parcel E-2 will be developed with a mid-rise office tower of approximately 100,000 square feet, with parking furnished in the Parcel F parking garage. Proposed parking will exceed 4 spaces per 1,000 square feet of gross leasable area (GLA), and will contain approximately 400 parking spaces within the parking garage on Parcel F.

Parcel E-2 will be connected to other Development Parcels by way of a pedestrian esplanade.

g. Parcel E-3 - Hotel and Conference Center

Parcel E-3 represents a gross land area of approximately 2.3 acres, and is situated at the northeast quadrant of Parcel E, along Virginia Avenue. It is an irregular parcel bounded by Parcel E-4 to the south and Parcels E-1 and E-2 to the west.

Parcel E-3 will be developed with a business and tourist-oriented hotel and conference center with approximately 300 rooms and approximately 50,000 square feet of conference space. It is anticipated

that the hotel and conference center will include sufficient on-site parking to meet code requirements for on-site guest parking.

Parking E-3 will be connected to other Development Parcels by way of a pedestrian esplanade.

h. Parcel E-4 - University/Cultural

Parcel E-4 represents a gross land area of 1.4 acres, and is situated south of Parcel E-3. It is an irregularly shaped parcel. Parcel E-4 is generally bounded by Parcel E-3 on the north; Parcel E-1 on the west; the United States and Mexico International Border on the south; and the Tijuana River levee on the southwest.

Parcel E-4 will be developed with a cultural and/or institutional use with a gross leasable area of approximately 50,000 square feet. Typical of such uses are centers for advanced studies, facilities for major cultural exchanges and exhibits, and public functions to celebrate the diversity of cultures that interact along the common border.

Proposed parking for Parcel E-4 will be furnished in the Parcel F parking garage, and may also be served by arrangement with existing parking lots to the east.

Parcel E-4 will face a wide pedestrian esplanade to the northwest. This esplanade is part of a project-wide pedestrian circulation program. It is envisioned that the esplanade will link the FISA building, multimodal transit center, and retail uses in the project.

i. Parcel F - Air Rights Garage

Parcel F is an "air rights" Development Parcel that will consist of a multi-story parking garage, for the benefit of visitors to the project, to and from Mexico, and employees in the various uses throughout the project. It is anticipated that the garage will furnish gate secured parking for approximately 2,000 vehicles, which may include secure storage for FISA vehicles.

2. Urban Design Standards

The proposed development, including its architectural

design concepts, landscape features and off-site improvements, shall be subject to design review by the Agency in accordance with adopted procedures. The Developer shall conform to the San Ysidro Redevelopment Plan, and the San Ysidro Community Plan. These standards, together with the following specific conditions, will be used as a basis for evaluating development through all stages of the design review process.

a. Architectural Standards

The architecture of the development shall establish a high quality of design and be sensitive to the existing development of adjacent properties.

b. Energy Considerations

Energy efficient features shall be incorporated into the design of the structures. The Developer shall be required to demonstrate consideration of such energy features as a part of the design review process.

c. Landscape

The landscape of the development shall establish a high quality of design. Off-site improvements shall implement the standard established in the San Ysidro Community Plan, including curbs, sidewalk paving, street trees, tree grates, ornamental street lighting and trash receptacles.

The quality of off-site improvements shall be coordinated with the quality of on-site improvements and no distinction shall be made at the property lines.

d. On-Site Open Space Improvements

On-site improvements, particularly the open space of plazas, promenades and esplanades, shall be designed to unify the Site and its proposed development, particularly the transition between the different Development Parcels.

3. Site Preparation

The Developer, at its cost and expense, shall prepare the Site and each Development Parcel, for development. Such site preparation shall consist of the following:

- a. Complete demolition and removal to the surface elevation of the adjoining ground of all existing buildings, other structures and improvements including the removal of all bricks, lumber, pipes, equipment and other material and all debris and rubbish resulting from such demolition.
- b. Complete removal of all subsurface improvements, foundations, walls, slabs, basements, tanks and abandoned utilities as necessary to construct the development.
- c. Disconnection, capping and removal of utility lines, installations, facilities and related equipment within or on the Site. Utilities located within existing rights-of-way shall be relocated if and as required by the Water Utilities Department. Such cost of relocation shall be the responsibility of the Developer.
- d. Removal of all paving (including catch basins, curbs, gutters, drives and sidewalks) within or on the Site and within the portions of adjacent public rights-of-way which are not to be retained.

All of Items a. through d. inclusive shall be performed in accordance with City requirements.

4. City Utilities (Sewer, Water, and Storm Drain)

The Developer shall upgrade all nonfranchise City utilities as required by the Water Utilities and Engineering Departments as necessary to serve the proposed development.

The Developer shall be responsible for the connection of on-site sewer, water and storm drain systems from the development to the City utilities located within the public rights-of-way.

Sewer, water and roof drain laterals shall be connected to the appropriate utility mains within the street and beneath the sidewalk. The Developer may use existing laterals if acceptable to the City, and if not, Developer shall cut and plug existing laterals at such places and in the manner required by the City, and install new laterals.

Fire hydrants shall be provided pursuant to requirements of Fire and Water Utilities Departments.

Curb and gutter with catch basins adequate to meet anticipated drainage requirements shall be provided as required by the Development Services Department.

The Developer shall submit a plan which illustrates installation or relocation of sewers, water and drains within the project as well as the connection of these utilities to public infrastructure adjoining the Site at the Design Development Drawings stage.

5. Franchise Public Utilities

The Developer shall be responsible for the installation or relocation of franchise utility connections including, but not limited to, gas, electric, telephone and cable, to the project and all extensions of those utilities in public streets. The Developer shall submit a plan which illustrates installation or relocation of gas, electric, telephone and cable distribution lines within the project as well as the connection of these utilities to franchise infrastructure adjoining the Site.

6. Off-Site Improvements

The Developer, at its cost and expense, shall design and construct or caused to be designed and constructed, all public improvements within and related to streets necessary or appropriate for the development of the Site, including: curbs, gutters and sidewalks, street trees, tree grates, irrigation systems, street lights, trash receptacles, fire hydrants, and all other like public improvements as may be required by the City of San Diego.

The Developer shall construct or cause to be constructed concurrently with each applicable Development Parcel as specified in the Schedule of Performance (Attachment No. 3), the following off-site public improvements:

a. Phase IA Public Improvements

The following facilities shall be constructed as the Phase IA Public Improvements:

- Bulldy* (1) Construction of realigned Tijuana Street as a minor collector street (or lesser width if a General Plan amendment is approved by the appropriate government agency). Said improvements will extend from Willow Road, east to Virginia Avenue, as shown on Exhibit A to this Scope of Development.

Build of B/C (2) Construction of the remaining Camino de la Plaza improvements between Sipes Lane and Bibler Lane, as a minor arterial, as shown on Exhibit A to this Scope of Development.

Build B/C (3) Construction of the south half of Camino de la Plaza from Sipes Lane to Virginia Avenue as a minor arterial, as shown on Exhibit A to this Scope of Development.

Build B/C (4) Construction of one traffic signal at Camino de la Plaza and Willow Road, as shown on Exhibit A to this Scope of Development.

Build B/C (5) Construction of one traffic signal along Camino de la Plaza between Willow Road and Virginia Avenue, as shown on Exhibit A to this Scope of Development.

Build B/C (6) Improvement of Virginia Avenue access to the east frontage of Parcel C, south of Camino de la Plaza, as shown on Exhibit A to this Scope of Development.

The obligation to construct and pay for the Phase IA Public Improvements shall be borne by Parcels B and C.

b. Phase IB Public Improvements

The following facilities shall be constructed as the Phase IB Public Improvements:

✓ *Build B/C* (1) Construction of realigned Tijuana Street as a minor collector street (or lesser width if a General Plan amendment is approved by the appropriate government agency). Said improvements will extend from Willow Road, west to Camino de la Plaza, as shown on Exhibit A to this Scope of Development.

Build A (2) Construction of one traffic signal at Camino de la Plaza and Tijuana Street, as shown on Exhibit A to this Scope of Development.

The obligation to construct and pay for the Phase IB Public Improvements shall be borne by Parcel A.

c. Phase II Public Improvements

The following facilities shall be constructed as

the Phase II Public Improvements:

- part 8 E*
- (1) Construction of the Lincoln Glorietta to provide traffic distribution within the Site, as shown on Exhibit A to this Scope of Development.
- part B/C*
- (2) The widening of Dairy Mart Road between the Dairy Mart/Interstate 5 interchange and the Camino de la Plaza/Dairy Mart intersection, as shown in Exhibit A to this Scope of Development.
- Fairshare 1/2 B/L → change 2*
- (3) Dairy Mart and I-5 west-side ramp improvements, as shown on Exhibit A to this Scope of Development.
- Parcel B/L*
- (4) Construction of a traffic signal at Dairy Mart Road and the Interstate 5 on and off ramps, as shown on Exhibit A to this Scope of Development.
- for share of A*

The obligation to construct and pay for the Phase II Public Improvements shall be borne by Parcel E-3.

7. Public Rights-of-Way Vacations

The Developer shall prepare and process through the City of San Diego, the vacation of all streets, alleys and other public rights-of-way within the Site, which are not needed for rights-of-way to remain or be created consistent with the Final Subdivision Map, or a Subsequent Parcel Map, as referred to in Section 704 of the Agreement. The Developer shall, as part of this proposed vacation, prepare plans for the relocation of all public nonfranchise and franchise utilities within the vacation area and implement those plans satisfactory to the City of San Diego. The Agency shall cooperate with the Developer to obtain such street vacation.

8. Street Dedications

The Developer shall dedicate public rights-of-way to create the streets and related improvements consistent with the Final Subdivision Map, or a Subsequent Parcel Map, as referred to in Section 704 of the Agreement, and as required by the City Traffic Engineer.

9. Removal and/or Remedy of Soil and/or Water Contamination

The Developer, at its own cost and expense, shall remove and/or otherwise remedy as provided by law and implementing rules and regulations, and sufficiently to adequately protect the public health and safety (including the health and safety of occupants of the Site and adjacent properties), any contaminated or hazardous soil and/or water conditions on the Site. Such work shall include without limitation the following:

- a. Remove (and dispose of) and/or treat any contaminated soil and/or water on the Site (and adjacent public rights of way which the Developer is required to improve) as necessary to comply with applicable governmental standards and requirements.
- b. Design and construct all improvements on the Site in a manner which will assure protection of occupants and all improvements from any contamination, whether in vapor or other form, and/or from the direct and indirect effects thereof.
- c. Prepare a site safety plan and submit it to the appropriate governmental and other authorities for approval in connection with obtaining a building permit for the construction of improvements on the Site. Such site safety plan shall assure workers and other visitors to the Site of protection from any health and safety hazards during development and construction of the improvements. Such site safety plan shall include monitoring and appropriate protective action against vapors and/or the effect thereof. Such site safety plan shall be updated with respect to each Development Parcel, and re-submitted for approval, thirty (30) days prior to closing of the mortgage loan and/or other financing for the applicable Development Parcel.
- d. Obtain from the County of San Diego and/or California Regional Water Quality Control Board and/or any other authorities required by law any permits or other approvals required in connection with the removal and/or remedy of soil and/or water contamination, in connection with the development and construction on the Site.

The Developer agrees that the Agency, and its consultants and agents, shall have the right (but not the obligation) to enter upon the Site at any time to monitor the excavation and construction on the Site, to test the soils and/or water on the Site, and to take such other actions as may be reasonably necessary to assure compliance with this Section 9. of the Scope of Development. Nothing herein (including without limitation the Agency's right to inspect) shall be construed to make the Agency, the City, or their respective officers, employees, contractors and agents liable for the responsibilities under Section 212 and this Section 9, and the provisions and requirements of Section 309 of the Agreement shall apply with respect thereto.

10. Nondiscrimination and Equal Opportunity

- a. The Developer shall not discriminate against any employee or applicant for employment on any basis prohibited by law. The Developer shall provide equal opportunity in all employment practices. The Developer shall ensure that its contractor and subcontractors comply with the City of San Diego's Equal Opportunity Program.
- b. The Developer has received, read, understands and agrees to be bound by City of San Diego Municipal Code Division 27 (Equal Opportunity Program) and the City Manager's Policies and Procedures implementing that Program, contained in the Equal Opportunity Packet provided by the Agency.
- c. The Developer has submitted, and the Agency acknowledges, receipt of either a Work Force Report or an Equal Opportunity Plan, as required by Section 22.2705 of the City of San Diego Municipal Code.
- d. The Developer has received, read and understands the Equal Opportunity Contracting Information Packet provided by the Agency.
- e. The Developer has submitted, and the Agency acknowledges receipt of, an initial Equal Opportunity Report. The Developer agrees periodically to provide updated reports as requested by the Agency.

11. Americans with Disabilities Act (ADA)

The Developer acknowledges and agrees that it is aware of and will comply with City of San Diego Council Policy 100-04, adopted by Resolution No. 282153 relating to the federally-mandated Americans with Disabilities Act (ADA).

12. Archeological Protection

Concurrently with submission of Design Development Drawings to the Agency with respect to each Development Parcel, the Developer shall submit the results and backup information of a records search and determination of potential archaeological significance of the applicable Parcel completed by a qualified archaeologist. If the applicable Parcel is determined by the Agency to have a potential for significant subsurface resources, the Developer shall conduct appropriate site monitoring during grading, testing and data recovery as approved by the Agency.

13. Development Identification Signs

Prior to commencement of construction on the Site, the Developer shall prepare and install, at its cost and expenses, sign(s) around the Site which identify the development. There shall be at least one sign on each street frontage of every Development Parcel as it is developed, and one sign applicable to development of the entire Site located on Camino de la Plaza. Frontages where the development covers more than three hundred (300) lineal feet shall contain two signs. Each sign shall be at least four (4) feet by six (6) feet and be visible to passing pedestrian and vehicular traffic. The design of all signs as well as their proposed location shall be submitted to the Agency for review and approval prior to installation. All signs shall at a minimum include:

- Color rendering of the development
- Development name
- Developer
- The phrase:

A Project of the Redevelopment Agency of the City
of San Diego

Mayor Susan M. Golding

Councilmembers: Harry Mathis
 Byron Wear
 Christine Kehoe
 George Stevens
 Barbara Warden

Valerie Stallings
Judy McCarty
Juan Vargas

-- Completion Date _____.
-- For information call _____.

The Developer shall obtain a current roster of Redevelopment Agency members before signs are printed.

14. Fees and Assessments

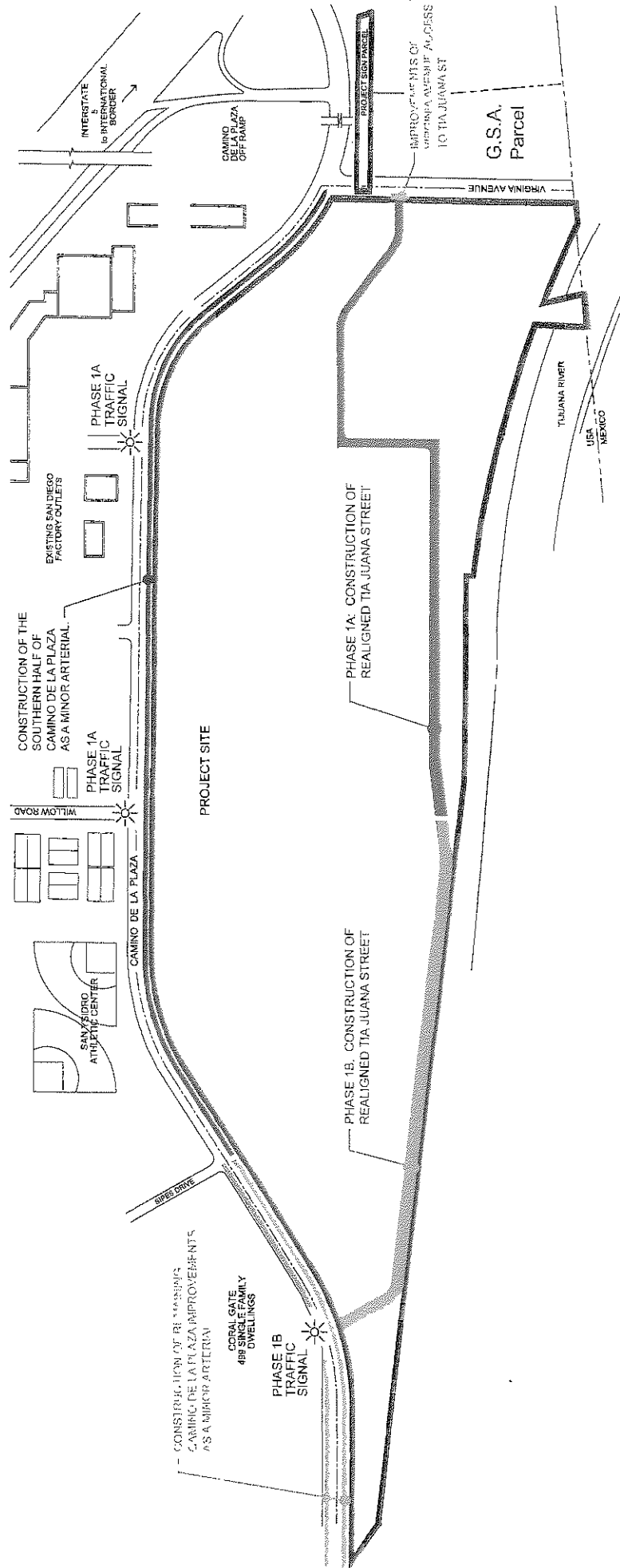
The Developer shall be responsible for all fees required by the City or other public agency for the construction of the proposed project.

B. Easements

The Agency and the Developer shall grant and permit all necessary and appropriate easements and rights for the development of the Site or any Development Parcels within the Site, including, but not limited to, easements and rights of vehicular access, pedestrian access and all utility services on such terms and conditions as the Agency and the Developer may agree.

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2-03-00

Public Improvements Exhibit for D.D.A. Land Parcels



**LANDGRANT
DEVELOPMENT**

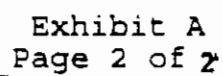
12625 High Bluff Dr., Suite 212
San Diego, California 92130
Telephone: (619) 461-4084
Telex: (619) 461-3108
E-Mail: information@landgrant.net

International Gateway Of The Americas SAN DIEGO, CALIFORNIA Puerta Internacional De Las Americas SAN DIEGO, CALIFORNIA

Public Improvements Exhibit for D.D.A. Land Parcels
24 January, 2000

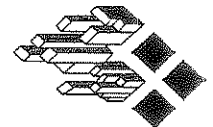
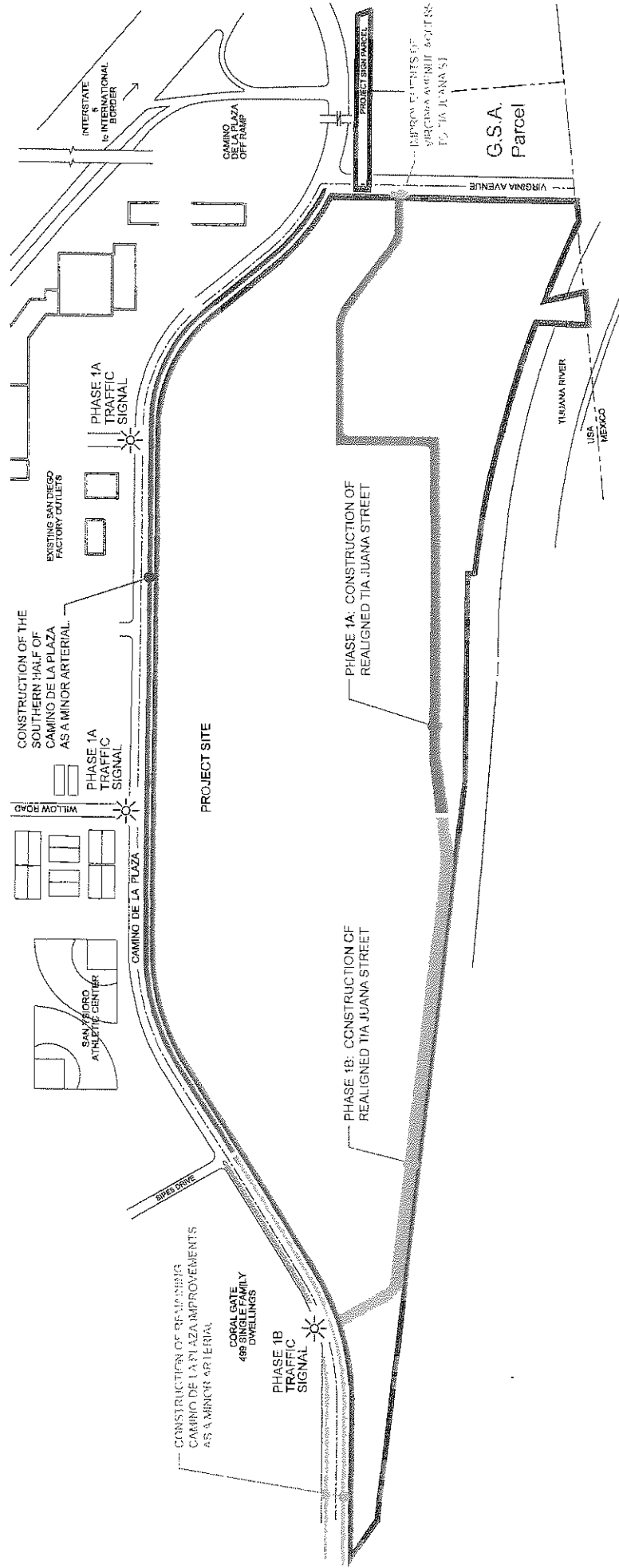
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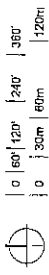
Public Improvements Exhibit for D.D.A. Land Parcels



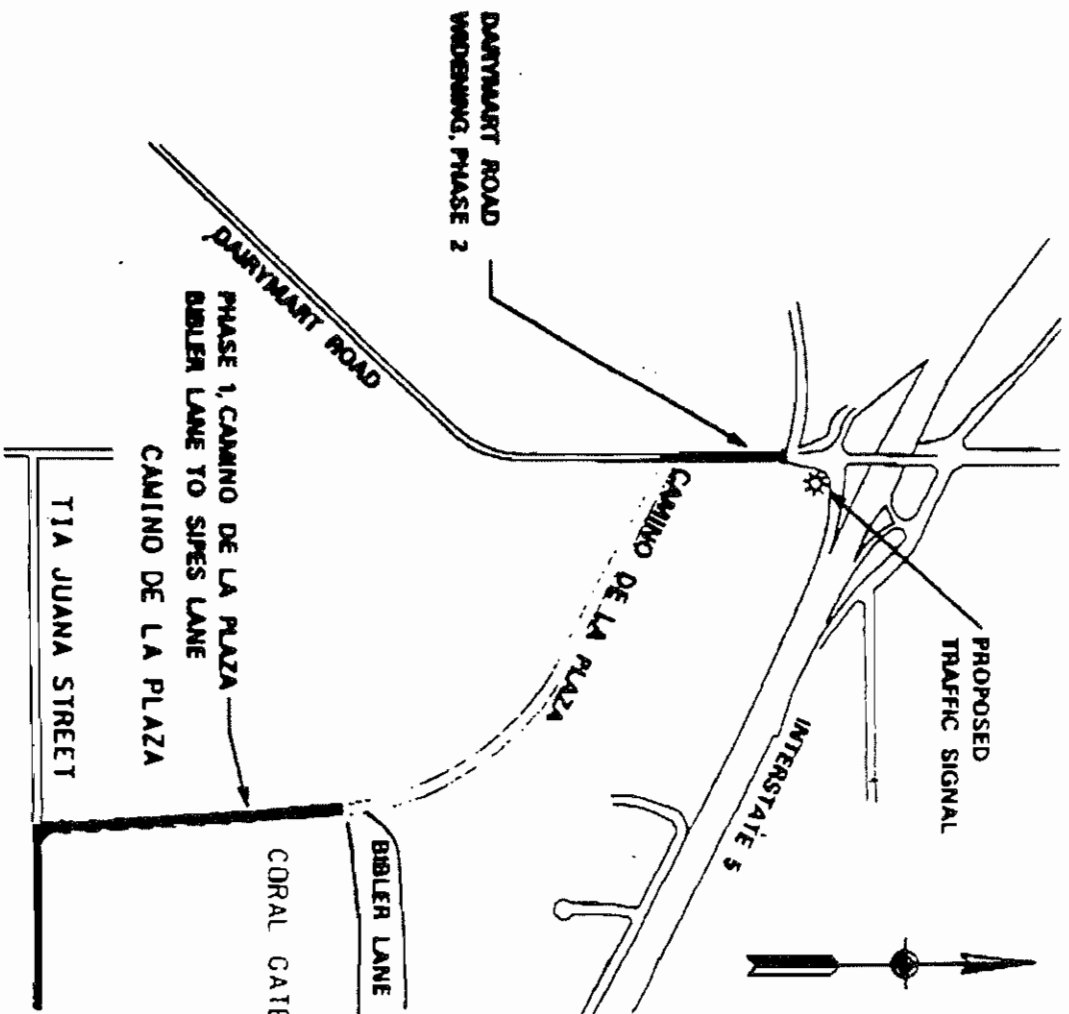
LANDGRANT DEVELOPMENT
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 Telex: (658) 481-3108
 E-Mail: information@landgrant.net

International Gateway Of The Americas SAN DIEGO, CALIFORNIA Puerta Internacional De Las Americas SAN DIEGO, CALIFORNIA

Public Improvements Exhibit for D.D.A. Land Parcels
 24 January, 2000



KMA
 ARCHITECTURE
 & ENGINEERING
 1455 AVENUE B
 SAN DIEGO, CA 92110
 TEL (619) 776-7710
 FAX (619) 776-7715



PLANNING DEPARTMENT 1201 K STREET, SUITE 100 SAN DIEGO, CALIFORNIA 92101	
DATE	APR 27, 1998
BY	PLANNING DEPARTMENT

PROJECT NO.	1201 K STREET, SUITE 100
PROJECT NAME	PLANNING DEPARTMENT
PROJECT LOCATION	1201 K STREET, SUITE 100
PROJECT DESCRIPTION	PLANNING DEPARTMENT

INTERNATIONAL CATEGORY OF THE AMERICAS	1201 K STREET, SUITE 100
SEQUENCE OF PLANNED PUBLIC IMPROVEMENTS	PLANNING DEPARTMENT
SHEET 2 OF 2	PLANNING DEPARTMENT

AMENDED
ATTACHMENT NO. 10

FEDERAL AGENCIES TERM SHEET

The essential terms and conditions of the Federal Agencies Cooperation Agreement referred to in Section 712 of this Agreement shall include without limitation:

1. Agency and Developer shall cooperate with the appropriate federal agencies of the United States ("Federal Agencies") including the Federal Inspection Services Agencies ("FISA"), to plan, program, and design an expanded pedestrian border inspection facility (the "Facility") that meets the current needs of the Federal Agencies, allows for near-term planned expansion and/or improvement in FISA services, and support the development of walk-through activity of San Ysidro FISA services at the Louisiana Avenue Facility. The agreement shall include a technical design memorandum. The technical design memorandum shall address any unique requirements the FISA may have, including secure parking, emergency access, and other requirements.
2. The Facility located on Parcel E-1, and the location, shall be satisfactory to the Federal Agencies.
3. Agency shall agree to lease the Federal Agencies space from Developer concurrently with closing of the mortgage loan and/or other financing for development of Parcel E-1, under terms of the technical design memorandum. The lease between Agency and Developer shall be at a lease rate (including periodic adjustments), and under lease terms (including a period contemplated to be at least 25 years), sufficient to induce investors and lenders to participate in project finance.
4. The Facility is intended to be a model of operational efficiency, and incorporate state of the art technology and management systems associated with the law enforcement mission of the Federal Agencies.
5. The parties will attempt to agree on the Federal Agencies Cooperation Agreement, and implement it, on schedules consistent with the Disposition and Development Agreement.
6. The parties shall consider in good faith appropriate methods for financing the public improvements involved in connection with the River Pedestrian Bridge and the improvements related to Parcel E, including without limitation assessment

districts, community facilities districts, infrastructure financing districts, lease revenue financing and combinations thereof (it being understood, however, that the ultimate implementation of any such public financing vehicles shall be subject to the discretion of the Agency and the City).

sd\edd\sy\landgrnt\at10.5
2-03-00

Figure 1

TEMPORARY EXHIBIT D
(Attachments No. 5 & 6)

Table of Minimum Property Tax Assessments

	Parcel A Minimum Required Assessed Value
Year 1	\$34,623,331
Year 2	\$35,315,798
Year 3	\$36,022,114
Year 4	\$36,742,556
Year 5	\$37,477,407
Year 6	\$38,226,955
Year 7	\$38,991,494
Year 8	\$39,771,324
Year 9	\$40,566,751
Year 10	\$41,378,086
Year 11	\$42,205,648
Year 12	\$43,049,760
Year 13	\$43,910,756
Year 14	\$44,788,971
Year 15	\$45,684,750
Year 16	\$46,598,445
Year 17	\$47,530,414
Year 18	\$48,481,022
Year 19	\$49,450,643
Year 20	\$50,439,656
Year 21	\$51,448,449
Year 22	\$52,477,418
Year 23	\$53,526,966
Year 24	\$54,597,505
Year 25	\$55,689,456
Year 26	\$56,803,245
Year 27	\$57,939,310
Year 28	\$59,098,096
Year 29	\$60,280,058
Year 30	\$61,485,659

Annual Assessed Value Increase @ 2%

Figure 1

Table of Minimum Property Tax Assessments

	Parcel B Minimum Required <u>Assessed Value</u>
Year 1	\$15,894,610
Year 2	\$16,212,502
Year 3	\$16,536,752
Year 4	\$16,867,487
Year 5	\$17,204,837
Year 6	\$17,548,934
Year 7	\$17,899,912
Year 8	\$18,257,911
Year 9	\$18,623,069
Year 10	\$18,995,530
Year 11	\$19,375,441
Year 12	\$19,762,950
Year 13	\$20,158,209
Year 14	\$20,561,373
Year 15	\$20,972,600
Year 16	\$21,392,052
Year 17	\$21,819,893
Year 18	\$22,256,291
Year 19	\$22,701,417
Year 20	\$23,155,445
Year 21	\$23,618,554
Year 22	\$24,090,925
Year 23	\$24,572,744
Year 24	\$25,064,199
Year 25	\$25,565,483
Year 26	\$26,076,792
Year 27	\$26,598,328
Year 28	\$27,130,295
Year 29	\$27,672,901
Year 30	\$28,226,359

Annual Assessed Value Increase @ 2%

Figure 1

Table of Minimum Property Tax Assessments

	Parcel C Minimum Required <u>Assessed Value</u>
Year 1	\$27,061,232
Year 2	\$27,602,456
Year 3	\$28,154,506
Year 4	\$28,717,596
Year 5	\$29,291,948
Year 6	\$29,877,786
Year 7	\$30,475,342
Year 8	\$31,084,849
Year 9	\$31,706,546
Year 10	\$32,340,677
Year 11	\$32,987,491
Year 12	\$33,647,240
Year 13	\$34,320,185
Year 14	\$35,006,589
Year 15	\$35,706,721
Year 16	\$36,420,855
Year 17	\$37,149,272
Year 18	\$37,892,258
Year 19	\$38,650,103
Year 20	\$39,423,105
Year 21	\$40,211,567
Year 22	\$41,015,798
Year 23	\$41,836,114
Year 24	\$42,672,836
Year 25	\$43,526,293
Year 26	\$44,396,819
Year 27	\$45,284,755
Year 28	\$46,190,451
Year 29	\$47,114,260
Year 30	\$48,056,545

Annual Assessed Value Increase @ 2%

Figure 1

Table of Minimum Property Tax Assessments

Parcel B & C Combined	
Minimum	
Required	
<u>Assessed Value</u>	
Year 1	\$42,955,842
Year 2	\$43,814,958
Year 3	\$44,691,258
Year 4	\$45,585,083
Year 5	\$46,496,784
Year 6	\$47,426,720
Year 7	\$48,375,255
Year 8	\$49,342,760
Year 9	\$50,329,615
Year 10	\$51,336,207
Year 11	\$52,362,931
Year 12	\$53,410,190
Year 13	\$54,478,394
Year 14	\$55,567,962
Year 15	\$56,679,321
Year 16	\$57,812,907
Year 17	\$58,969,165
Year 18	\$60,148,549
Year 19	\$61,351,520
Year 20	\$62,578,550
Year 21	\$63,830,121
Year 22	\$65,106,723
Year 23	\$66,408,858
Year 24	\$67,737,035
Year 25	\$69,091,776
Year 26	\$70,473,611
Year 27	\$71,883,084
Year 28	\$73,320,745
Year 29	\$74,787,160
Year 30	\$76,282,903

Annual Assessed Value Increase @ 2%

Figure 1

Table of Minimum Property Tax Assessments

	Parcel D Minimum Required <u>Assessed Value</u>
Year 1	\$1,262,240
Year 2	\$1,287,485
Year 3	\$1,313,234
Year 4	\$1,339,499
Year 5	\$1,366,289
Year 6	\$1,393,615
Year 7	\$1,421,487
Year 8	\$1,449,917
Year 9	\$1,478,915
Year 10	\$1,508,494
Year 11	\$1,538,664
Year 12	\$1,569,437
Year 13	\$1,600,826
Year 14	\$1,632,842
Year 15	\$1,665,499
Year 16	\$1,698,809
Year 17	\$1,732,785
Year 18	\$1,767,441
Year 19	\$1,802,790
Year 20	\$1,838,845
Year 21	\$1,875,622
Year 22	\$1,913,135
Year 23	\$1,951,397
Year 24	\$1,990,425
Year 25	\$2,030,234
Year 26	\$2,070,839
Year 27	\$2,112,255
Year 28	\$2,154,500
Year 29	\$2,197,590
Year 30	\$2,241,542

Annual Assessed Value Increase @ 2%

Figure 1

Table of Minimum Property Tax Assessments

	Parcel E1 Minimum Required <u>Assessed Value</u>
Year 1	\$12,894,591
Year 2	\$13,152,483
Year 3	\$13,415,532
Year 4	\$13,683,843
Year 5	\$13,957,520
Year 6	\$14,236,670
Year 7	\$14,521,404
Year 8	\$14,811,832
Year 9	\$15,108,068
Year 10	\$15,410,230
Year 11	\$15,718,434
Year 12	\$16,032,803
Year 13	\$16,353,459
Year 14	\$16,680,528
Year 15	\$17,014,139
Year 16	\$17,354,421
Year 17	\$17,701,510
Year 18	\$18,055,540
Year 19	\$18,416,651
Year 20	\$18,784,984
Year 21	\$19,160,684
Year 22	\$19,543,897
Year 23	\$19,934,775
Year 24	\$20,333,471
Year 25	\$20,740,140
Year 26	\$21,154,943
Year 27	\$21,578,042
Year 28	\$22,009,603
Year 29	\$22,449,795
Year 30	\$22,898,791

Annual Assessed Value Increase @ 2%

Figure 1

Table of Minimum Property Tax Assessments

	Parcel E2 Minimum Required <u>Assessed Value</u>
Year 1	\$12,766,803
Year 2	\$13,022,139
Year 3	\$13,282,582
Year 4	\$13,548,234
Year 5	\$13,819,199
Year 6	\$14,095,582
Year 7	\$14,377,494
Year 8	\$14,665,044
Year 9	\$14,958,345
Year 10	\$15,257,512
Year 11	\$15,562,662
Year 12	\$15,873,915
Year 13	\$16,191,394
Year 14	\$16,515,221
Year 15	\$16,845,526
Year 16	\$17,182,436
Year 17	\$17,526,085
Year 18	\$17,876,607
Year 19	\$18,234,139
Year 20	\$18,598,822
Year 21	\$18,970,798
Year 22	\$19,350,214
Year 23	\$19,737,218
Year 24	\$20,131,963
Year 25	\$20,534,602
Year 26	\$20,945,294
Year 27	\$21,364,200
Year 28	\$21,791,484
Year 29	\$22,227,314
Year 30	\$22,671,860

Annual Assessed Value Increase @ 2%

Figure 1

Table of Minimum Property Tax Assessments

	Parcel E3 Minimum Required Assessed Value
Year 1	\$36,907,332
Year 2	\$37,645,479
Year 3	\$38,398,388
Year 4	\$39,166,356
Year 5	\$39,949,683
Year 6	\$40,748,677
Year 7	\$41,563,650
Year 8	\$42,394,923
Year 9	\$43,242,822
Year 10	\$44,107,678
Year 11	\$44,989,832
Year 12	\$45,889,628
Year 13	\$46,807,421
Year 14	\$47,743,569
Year 15	\$48,698,441
Year 16	\$49,672,409
Year 17	\$50,665,858
Year 18	\$51,679,175
Year 19	\$52,712,758
Year 20	\$53,767,013
Year 21	\$54,842,354
Year 22	\$55,939,201
Year 23	\$57,057,985
Year 24	\$58,199,145
Year 25	\$59,363,127
Year 26	\$60,550,390
Year 27	\$61,761,398
Year 28	\$62,996,626
Year 29	\$64,256,558
Year 30	\$65,541,689

Annual Assessed Value Increase @ 2%

Figure 1

Table of Minimum Property Tax Assessments

	Parcel F Minimum Required <u>Assessed Value</u>
Year 1	\$20,498,400
Year 2	\$20,908,368
Year 3	\$21,326,535
Year 4	\$21,753,066
Year 5	\$22,188,127
Year 6	\$22,631,890
Year 7	\$23,084,528
Year 8	\$23,546,218
Year 9	\$24,017,143
Year 10	\$24,497,486
Year 11	\$24,987,435
Year 12	\$25,487,184
Year 13	\$25,996,928
Year 14	\$26,516,866
Year 15	\$27,047,203
Year 16	\$27,588,148
Year 17	\$28,139,910
Year 18	\$28,702,709
Year 19	\$29,276,763
Year 20	\$29,862,298
Year 21	\$30,459,544
Year 22	\$31,068,735
Year 23	\$31,690,110
Year 24	\$32,323,912
Year 25	\$32,970,390
Year 26	\$33,629,798
Year 27	\$34,302,394
Year 28	\$34,988,442
Year 29	\$35,688,211
Year 30	\$36,401,975

Annual Assessed Value Increase @ 2%

Parking Lease Exhibit for D.D.A. Land Parcel 'A'

The "Available Parking Area" for Parcel 'A' consists of all parking spaces shown on this exhibit.

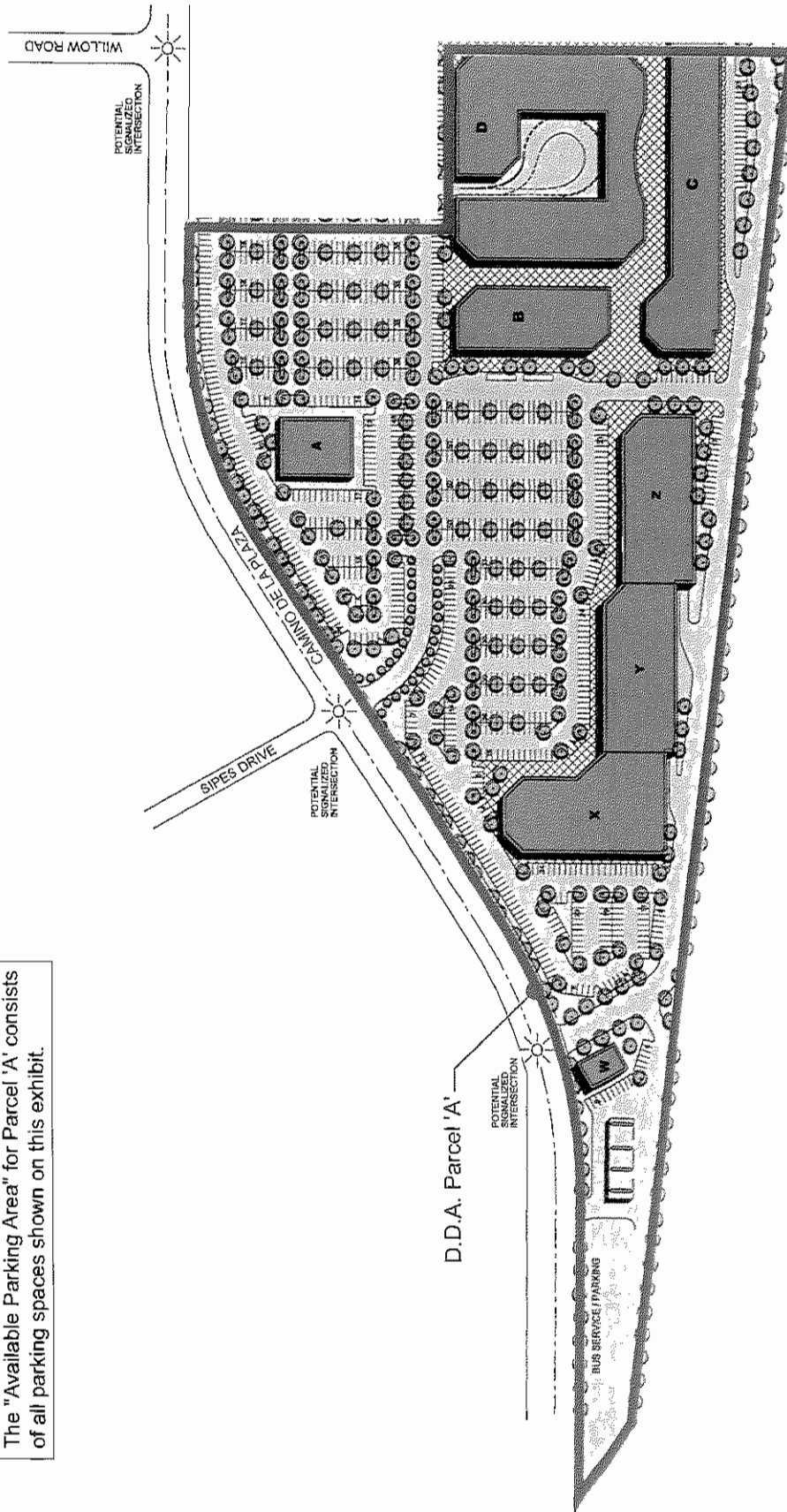


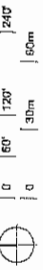
Figure 3
Amended Temporary Exhibit C-1
(Attachment No. 13)



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International Gateway Of The Americas SAN DIEGO, CALIFORNIA
Puerta Internacional De Las Americas SAN DIEGO, CALIFORNIA

Parking Lease Exhibit for D.D.A. Land Parcel 'A' 24 January, 2000



Parking Lease Exhibit for D.D.A. Land Parcel 'B'

The "Available Parking Area" for Parcel 'B' consists of all parking spaces shown on this exhibit.

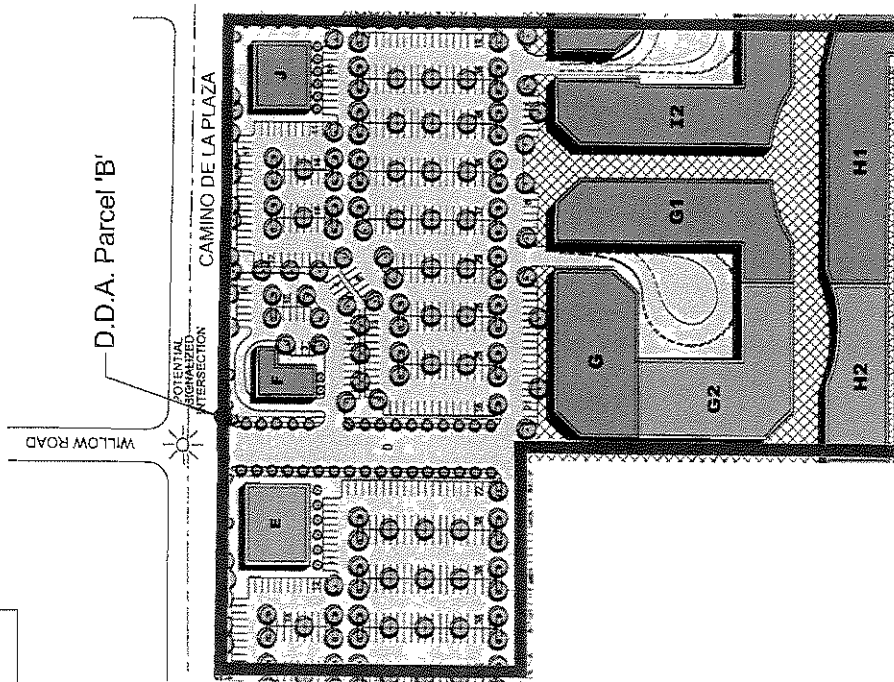
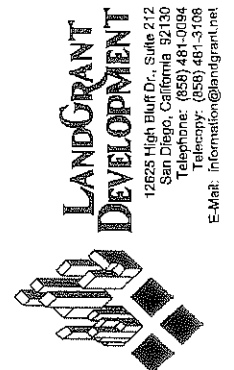


Figure 3
Amended Temporary Exhibit C-1
(Attachment No. 13)



International Gateway Of The Americas SAN DIEGO, CALIFORNIA
Puerta Internacional De Las Americas SAN DIEGO, CALIFORNIA

Parking Lease Exhibit for D.D.A. Land Parcel 'B'
24 January, 2000



Parking Lease Exhibit for D.D.A. Land Parcel 'C'

The "Available Parking Area" for Parcel 'C' consists of all parking spaces shown on this exhibit.

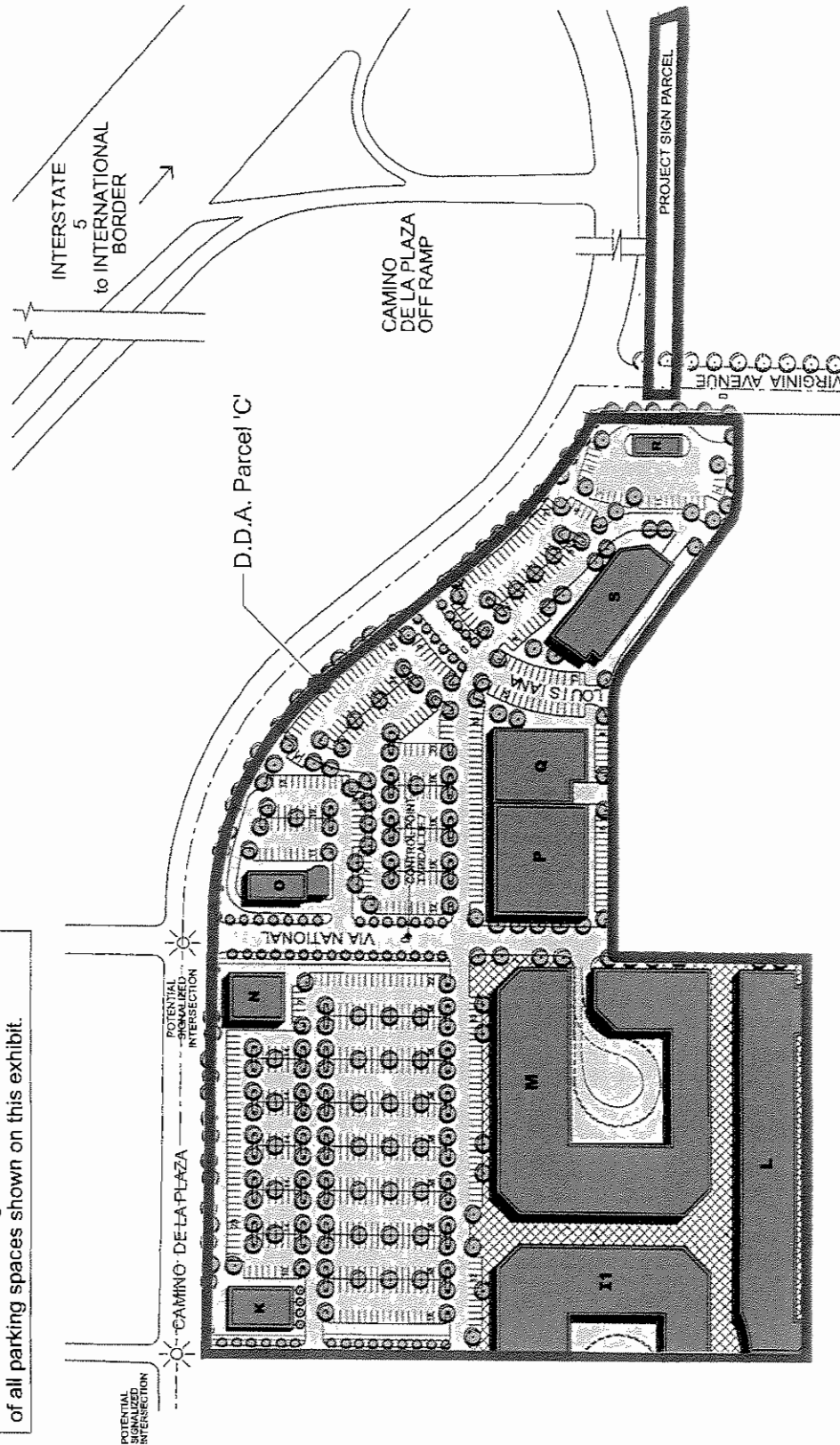


Figure 3
Amended Temporary Exhibit C-1
(Attachment No. 13)



International Gateway Of The Americas SAN DIEGO, CALIFORNIA Puerta Internacional De Las Americas SAN DIEGO, CALIFORNIA



Parking Lease Exhibit D.D.A. Land Parcel 'C' 24 January, 2000

0 60' 120' 240'

0 30m 60m

Figure 4

TEMPORARY EXHIBIT D-1
(Attachment No. 13)

Rent Schedule B & C COMBINED

Column	A	B	C	D	E	F	G	H
Lease Year	Annual Rent Amount	Annual Base Rent	Annual First Tier Additional Rent	Balance of First Tier Base Rent Due For Term	Annual Second Tier Additional Rent	Balance of Second Tier Base Rent Due for Term	Total Annual Additional Rent	Balance of Base Rent Due for Term
0				\$5,989,000		\$2,429,000		\$8,418,000
1	\$811,773	(\$67,133)	(\$598,900)	\$5,952,591	(\$145,740)	\$2,398,276	(\$744,640)	\$8,350,867
2	\$811,773	(\$72,617)	(\$595,259)	\$5,912,542	(\$143,897)	\$2,365,708	(\$739,156)	\$8,278,250
3	\$811,773	(\$78,576)	(\$591,254)	\$5,868,487	(\$141,942)	\$2,331,186	(\$733,197)	\$8,199,674
4	\$811,773	(\$85,053)	(\$586,849)	\$5,820,028	(\$139,871)	\$2,294,593	(\$726,720)	\$8,114,621
5	\$811,773	(\$92,094)	(\$582,003)	\$5,766,722	(\$137,676)	\$2,255,805	(\$719,678)	\$8,022,527
6	\$811,773	(\$99,752)	(\$576,672)	\$5,708,085	(\$135,348)	\$2,214,689	(\$712,020)	\$7,922,774
7	\$811,773	(\$108,083)	(\$570,809)	\$5,643,585	(\$132,881)	\$2,171,106	(\$703,690)	\$7,814,691
8	\$811,773	(\$117,148)	(\$564,359)	\$5,572,635	(\$130,266)	\$2,124,908	(\$694,625)	\$7,697,543
9	\$811,773	(\$127,015)	(\$557,264)	\$5,494,590	(\$127,494)	\$2,075,938	(\$684,758)	\$7,570,528
10	\$811,773	(\$137,758)	(\$549,459)	\$5,408,740	(\$124,556)	\$2,024,031	(\$674,015)	\$7,432,771
11	\$811,773	(\$149,457)	(\$540,874)	\$5,314,430	(\$121,442)	\$1,969,008	(\$662,316)	\$7,283,314
12	\$811,773	(\$162,202)	(\$531,431)	\$5,210,428	(\$118,140)	\$1,910,684	(\$649,571)	\$7,121,112
13	\$811,773	(\$176,089)	(\$521,043)	\$5,096,162	(\$114,641)	\$1,848,861	(\$635,684)	\$6,945,023
14	\$811,773	(\$191,225)	(\$509,616)	\$4,970,470	(\$110,932)	\$1,783,329	(\$620,548)	\$6,753,798
15	\$811,773	(\$207,726)	(\$497,047)	\$4,832,208	(\$107,000)	\$1,713,864	(\$604,047)	\$6,546,072
16	\$811,773	(\$225,720)	(\$483,221)	\$4,680,120	(\$102,832)	\$1,640,232	(\$586,053)	\$6,320,352
17	\$811,773	(\$245,347)	(\$468,012)	\$4,512,823	(\$98,414)	\$1,562,182	(\$566,426)	\$6,075,005
18	\$811,773	(\$266,760)	(\$451,282)	\$4,328,797	(\$93,731)	\$1,479,448	(\$545,013)	\$5,808,245
19	\$811,773	(\$290,126)	(\$432,880)	\$4,126,368	(\$88,767)	\$1,391,751	(\$521,647)	\$5,518,119
20	\$811,773	(\$315,631)	(\$412,637)	\$3,903,696	(\$83,505)	\$1,298,792	(\$496,142)	\$5,202,488
21	\$811,773	(\$343,476)	(\$390,370)	\$3,658,757	(\$77,928)	\$1,200,255	(\$468,297)	\$4,859,013
22	\$811,773	(\$373,882)	(\$365,876)	\$3,389,325	(\$72,015)	\$1,095,806	(\$437,891)	\$4,485,131
23	\$811,773	(\$407,092)	(\$338,932)	\$3,092,948	(\$65,748)	\$985,091	(\$404,681)	\$4,078,039
24	\$811,773	(\$443,373)	(\$309,295)	\$2,766,935	(\$59,105)	\$867,732	(\$368,400)	\$3,634,666
25	\$811,773	(\$483,015)	(\$276,693)	\$2,408,320	(\$52,064)	\$743,331	(\$328,757)	\$3,151,651
26	\$811,773	(\$526,341)	(\$240,832)	\$2,013,843	(\$44,600)	\$611,467	(\$285,432)	\$2,625,310
27	\$811,773	(\$573,701)	(\$201,384)	\$1,579,919	(\$36,688)	\$471,691	(\$238,072)	\$2,051,609
28	\$811,773	(\$625,480)	(\$157,992)	\$1,102,602	(\$28,301)	\$323,528	(\$186,293)	\$1,426,130
29	\$811,773	(\$682,101)	(\$110,260)	\$577,553	(\$19,412)	\$166,476	(\$129,672)	\$744,029
30	\$811,773	(\$744,029)	(\$57,755)	\$0	(\$9,989)	\$0	(\$67,744)	\$0

After Page 3 of 3

Figure 5

EXHIBIT E
(Attachment No.13)

Sample Calculation of Available Sales Tax A

Column	A	B	C	D	E
	<u>Total</u>	<u>California</u>	<u>City of San Diego</u>	<u>Refunded</u>	<u>Available</u>
	<u>Taxable Sales</u>	<u>Sales Tax</u>	<u>Share @ 1% of</u>	<u>Overpayments</u>	<u>Sales Tax A (1)</u>
		<u>@ 7.75%</u>	<u>Taxable Sales</u>		
Yr 1	\$ 77,000,000	\$ 5,967,500	\$ 770,000	\$ 2,000	\$ 768,000

(1) Column C less Column D

Figure 6

EXHIBIT F
(Attachment No.13)

Sample Calculation of Annual Payment

Column	A	B	C	D	E	F	G	H	I
	Annual Payment	Total Taxable Sales	Refunded Overpayments	Available Sales Tax A (1)	Annual Rent Amount	Surplus / (Shortfall) (2)	Interest Earned (3)	Available Reserve A (4)	Total Deposits & Interest Earned (5)
1		\$77,000,000	\$2,000	\$768,000	\$496,402	\$271,598	\$0	\$271,598	\$271,598
2		\$40,000,000	\$2,000	\$398,000	\$496,402	(\$98,402)	\$8,148	\$181,344	\$279,746
3		\$60,000,000	\$2,000	\$598,000	\$496,402	\$101,598	\$5,440	\$282,942	\$386,784
4		\$61,800,000	\$2,000	\$616,000	\$496,402	\$119,598	\$8,488	\$402,540	\$514,871
5		\$63,654,000	\$2,000	\$634,540	\$496,402	\$138,138	\$12,076	\$491,694	\$588,096
6		\$65,563,620	\$2,000	\$653,636	\$496,402	\$157,234	\$14,751	\$491,694	\$588,096

(1) 1% of Total Taxable Sales from Parcel A less any refunded overpayments. (1% of column B less Column C)

(2) Available Sales Tax A less Annual Rent Amount. (Column D less Column E)

(3) Available Reserve is projected to earn 3%.

(4) Available Reserve is made up of any sales tax surplus above Annual Rent Amount and less any shortfalls.

(5) Maximum funding for available debt reserve A is \$588,096 independent of any shortfalls and including any interest earned.

Figure 7

TEMPORARY EXHIBIT C-1
(Attachment No. 14)

Amortization Schedule B & C Combined

Column	A	B	C	D
Lease Year	Amortization Amount	Scheduled Principal Payment	Scheduled Interest Payment	Balance of Principal Amount
0				\$1,876,000
1	\$199,005	(\$11,405)	(\$187,600)	\$1,864,595
2	\$199,005	(\$12,545)	(\$186,460)	\$1,852,050
3	\$199,005	(\$13,800)	(\$185,205)	\$1,838,251
4	\$199,005	(\$15,180)	(\$183,825)	\$1,823,071
5	\$199,005	(\$16,698)	(\$182,307)	\$1,806,373
6	\$199,005	(\$18,367)	(\$180,637)	\$1,788,006
7	\$199,005	(\$20,204)	(\$178,801)	\$1,767,802
8	\$199,005	(\$22,224)	(\$176,780)	\$1,745,577
9	\$199,005	(\$24,447)	(\$174,558)	\$1,721,131
10	\$199,005	(\$26,892)	(\$172,113)	\$1,694,239
11	\$199,005	(\$29,581)	(\$169,424)	\$1,664,658
12	\$199,005	(\$32,539)	(\$166,466)	\$1,632,119
13	\$199,005	(\$35,793)	(\$163,212)	\$1,596,327
14	\$199,005	(\$39,372)	(\$159,633)	\$1,556,955
15	\$199,005	(\$43,309)	(\$155,695)	\$1,513,645
16	\$199,005	(\$47,640)	(\$151,365)	\$1,466,005
17	\$199,005	(\$52,404)	(\$146,601)	\$1,413,601
18	\$199,005	(\$57,645)	(\$141,360)	\$1,355,956
19	\$199,005	(\$63,409)	(\$135,596)	\$1,292,547
20	\$199,005	(\$69,750)	(\$129,255)	\$1,222,798
21	\$199,005	(\$76,725)	(\$122,280)	\$1,146,073
22	\$199,005	(\$84,397)	(\$114,607)	\$1,061,675
23	\$199,005	(\$92,837)	(\$106,168)	\$968,838
24	\$199,005	(\$102,121)	(\$96,884)	\$866,717
25	\$199,005	(\$112,333)	(\$86,672)	\$754,384
26	\$199,005	(\$123,566)	(\$75,438)	\$630,818
27	\$199,005	(\$135,923)	(\$63,082)	\$494,895
28	\$199,005	(\$149,515)	(\$49,490)	\$345,380
29	\$199,005	(\$164,467)	(\$34,538)	\$180,913
30	\$199,005	(\$180,913)	(\$18,091)	\$0

After Page 4 of 8

Figure 8

EXHIBIT D
(Attachment No. 14)

Sample Calculation of Available Tax Increment

	<u>Estimated</u> <u>Assessed Value (1)</u>	<u>(Less)</u> <u>Existing</u> <u>Assessed Value (2)</u>	<u>Net</u> <u>Increase in</u> <u>Assessed Value</u>	<u>Net Tax</u> <u>Increment @ 1%</u>	<u>(Less)</u> <u>Housing</u> <u>Set-Asides</u>	<u>(Less)</u> <u>Taxing Agencies</u> <u>Pass Throughs</u>	<u>Available</u> <u>Tax Increment A</u>
Year 1	\$35,000,000	(\$350,000)	\$34,650,000	\$346,500	(\$69,300)	(\$69,300)	\$207,900
Year 2	\$35,700,000	(\$350,000)	\$35,350,000	\$353,500	(\$70,700)	(\$70,700)	\$212,100
Year 3	\$36,414,000	(\$350,000)	\$36,064,000	\$360,640	(\$72,128)	(\$72,128)	\$216,384
Year 4	\$37,142,280	(\$350,000)	\$36,792,280	\$367,923	(\$73,585)	(\$73,585)	\$220,754
Year 5	\$37,885,126	(\$350,000)	\$37,535,126	\$375,351	(\$75,070)	(\$75,070)	\$225,211

(1) Assessed value is estimated to increase 2 % annually.

(2) Estimated. Actual amount to be determined prior to execution of loan agreement.

(3) Based on current laws, set-asides are 20% for housing set-asides and 20% for affected taxing agencies.

In addition, agency will be required to pay affected taxing entities 16.8% of gross tax increment from increases occurring after 10th fiscal year agency receives tax increment and in addition 11.2% of gross tax increment from increases occurring after the 30th fiscal year in which agency receives tax increment.

Land Area and Building Area Calculations for the D.D.A. Land Parcel Exhibit with Improvements

D.D.A. LAND PARCEL A			
LOT AREA	982,648 SF	(22.57 AC)	
PARKING	1,235 Spaces	5.0 / 1,000 SF	

BUILDINGS

A	10,000 SF
B	22,900 SF
C	42,250 SF
D	71,900 SF
W	3,000 SF
X	34,860 SF
Y	31,070 SF
Z	31,070 SF
SUBTOTAL	
247,050 SF	

D.D.A. LAND PARCEL B			
LOT AREA	569,758 SF	(13.08 AC)	
PARKING	820 Spaces	5.0 / 1,000 SF	

BUILDINGS

F	3,770 SF
G	20,000 SF
G1	25,230 SF
H1	25,050 SF
I2	33,850 SF
J	6,000 SF
SUBTOTAL	
113,900 SF	

D.D.A. LAND PARCEL B - OPTIONAL

E	8,000 SF
G2	24,500 SF
H2	17,550 SF
SUBTOTAL	
50,050 SF	
TOTAL	
163,950 SF	

D.D.A. LAND PARCEL C			
LOT AREA	814,655 SF	(18.70 AC)	
PARKING	1,058 Spaces	5.0 / 1,000 SF	

BUILDINGS

K	5,000 SF
L	38,895 SF
M	73,754 SF
N	6,000 SF
O	4,200 SF
P	20,000 SF
Q	12,600 SF
R	2,000 SF
S	13,220 SF
I1	37,900 SF
SUBTOTAL	
211,569 SF	

D.D.A. LAND PARCEL D			
LOT AREA	131,653 SF	(3.02 AC)	

BUILDINGS

11	Transit Center	4,800 SF	SUBTOTAL
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D.D.A. AIR RIGHTS PARCEL F			
PARKING	312,000 SF	SUBTOTAL	

TOTAL PROJECT SUMMARY

LOT AREA	2,879,822 SF	(66.11 AC)
BUILDING AREA	1,411,469 SF	

D.D.A. LAND PARCEL E1			
LOT AREA	177,572 SF	(4.08 AC)	

BUILDINGS

1	FISA USA	45,000
2	Retail / Office	15,000
3	Retail / Office	15,000
4	Retail	15,000
		90,000

D.D.A. LAND PARCEL E2			
LOT AREA	39,813 SF	(.91 AC)	

BUILDINGS

5	Office Tower	100,000 SF	SUBTOTAL
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D.D.A. LAND PARCEL E3			
LOT AREA	100,797 SF	(2.31 AC)	

BUILDINGS

6	Retail	15,000
7	Hotel / Conference	235,000
8	Parking Garage	54,600
		304,600

D.D.A. LAND PARCEL E4			
LOT AREA	62,726 SF	(1.40 AC)	

BUILDINGS

9	University / Cultural Center	50,000 SF	SUBTOTAL
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D.D.A. RIVER PEDESTRIAN BRIDGE

10	International Bridge
12	FISA Mexico (see footnote *)

* Decision regarding improvements constructed in Mexico are subject to approval of appropriate Mexican government authorities.

Land Area and Building Calculations for the
D.D.A. Land Parcel Exhibit with Improvements
24 January 2000

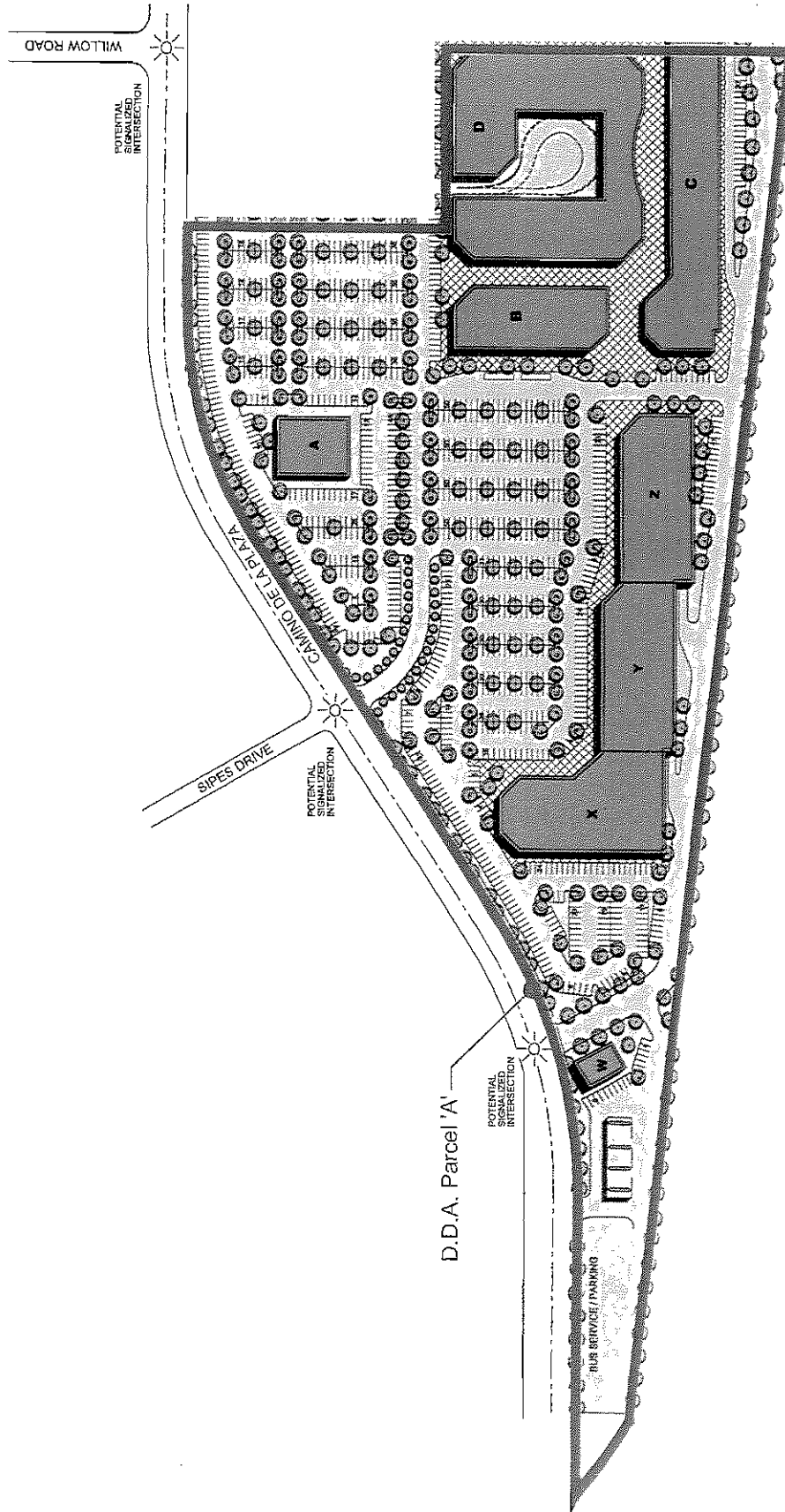
SAN DIEGO, CALIFORNIA

SAN DIEGO, CALIFORNIA



12625 High Bluff Dr., Suite 212
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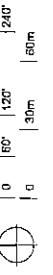
D.D.A. Land Parcel 'A' Exhibit with Improvements



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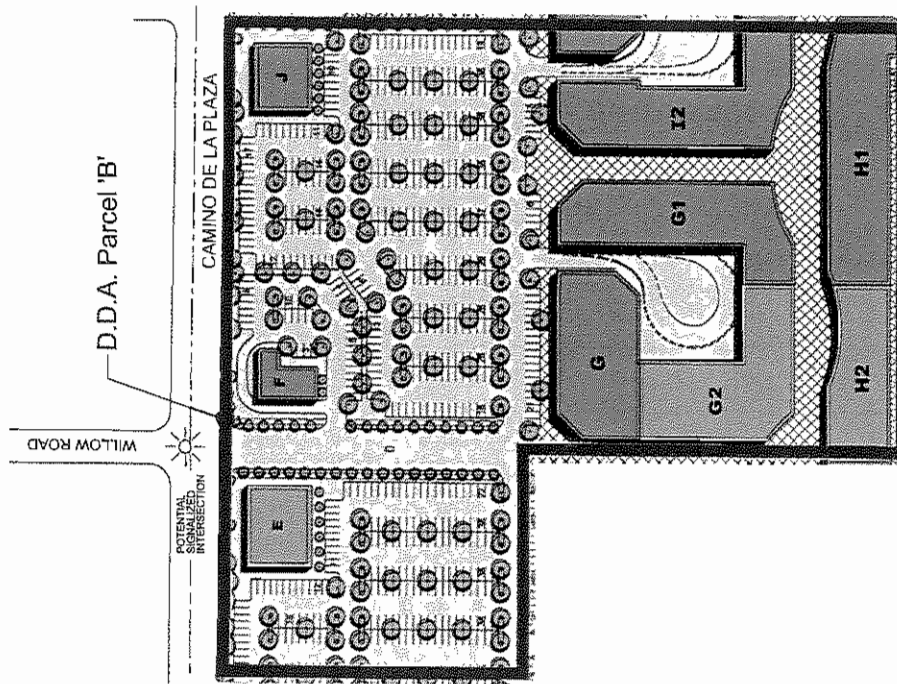
International Gateway Of The Americas SAN DIEGO, CALIFORNIA Puerta Internacional De Las Americas SAN DIEGO, CALIFORNIA

D.D.A. Land Parcel 'A' Exhibit with Improvements
24 January, 2000



KMA
ARCHITECTURE
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3155 LA JOLLA VILLAGE
DR. SAN DIEGO, CA 92108
TEL (619) 276-7710
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D.D.A. Land Parcel 'B' Exhibit with Improvements



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D.D.A. Land Parcel 'B' Exhibit with Improvements
 24 January, 2000

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 ARCHITECTURE
 & ENGINEERING
 1611 MONTELEONE BLVD.
 SAN DIEGO, CA 92110
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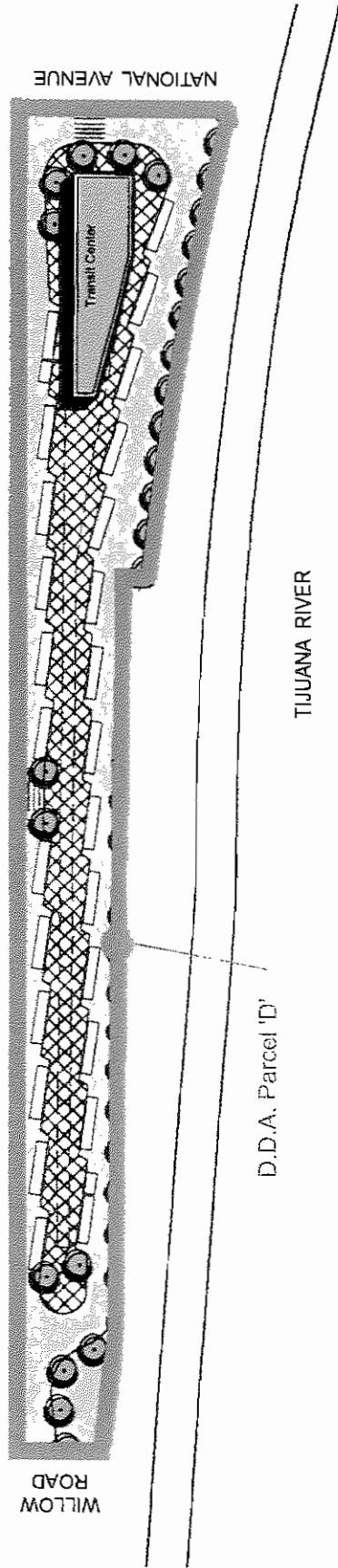
LANDGRANT DEVELOPMENT

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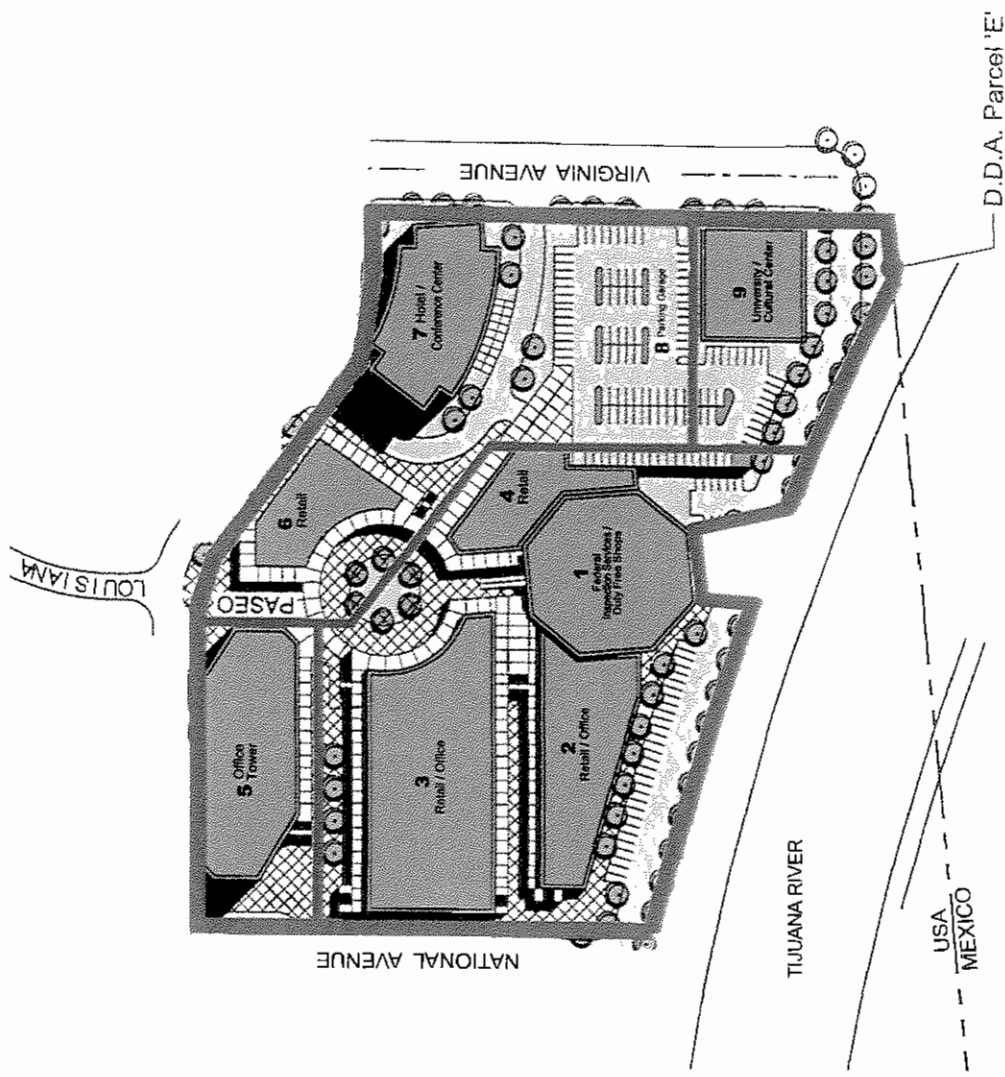
D.D.A. Land Parcel 'C' Exhibit with Improvements
24 January, 2000



D.D.A. Land Parcel 'D' Exhibit with Improvements



D.D.A. Land Parcel 'E' Exhibit with Improvements



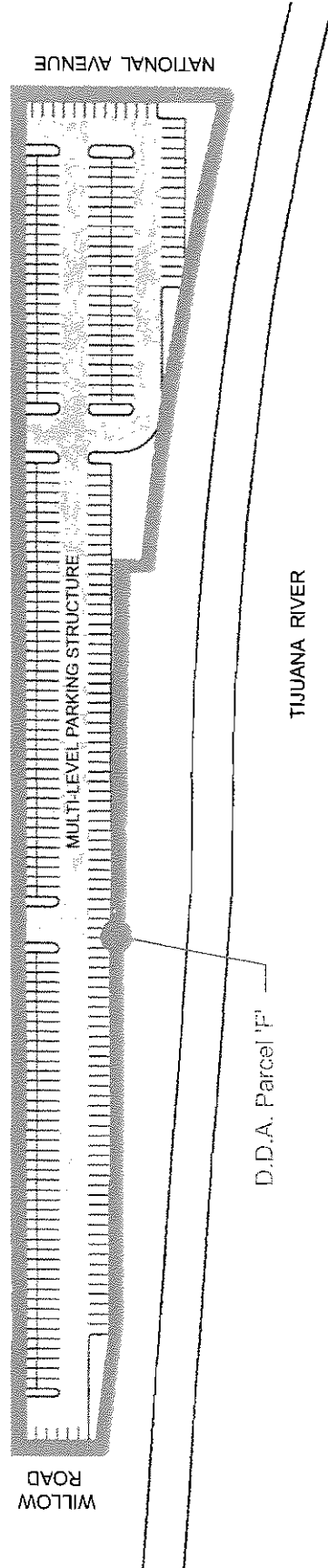
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D.D.A. Land Parcel 'E' Exhibit with Improvements
24 January, 2000

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D.D.A. Air Rights Parcel 'F' Exhibit with Improvements



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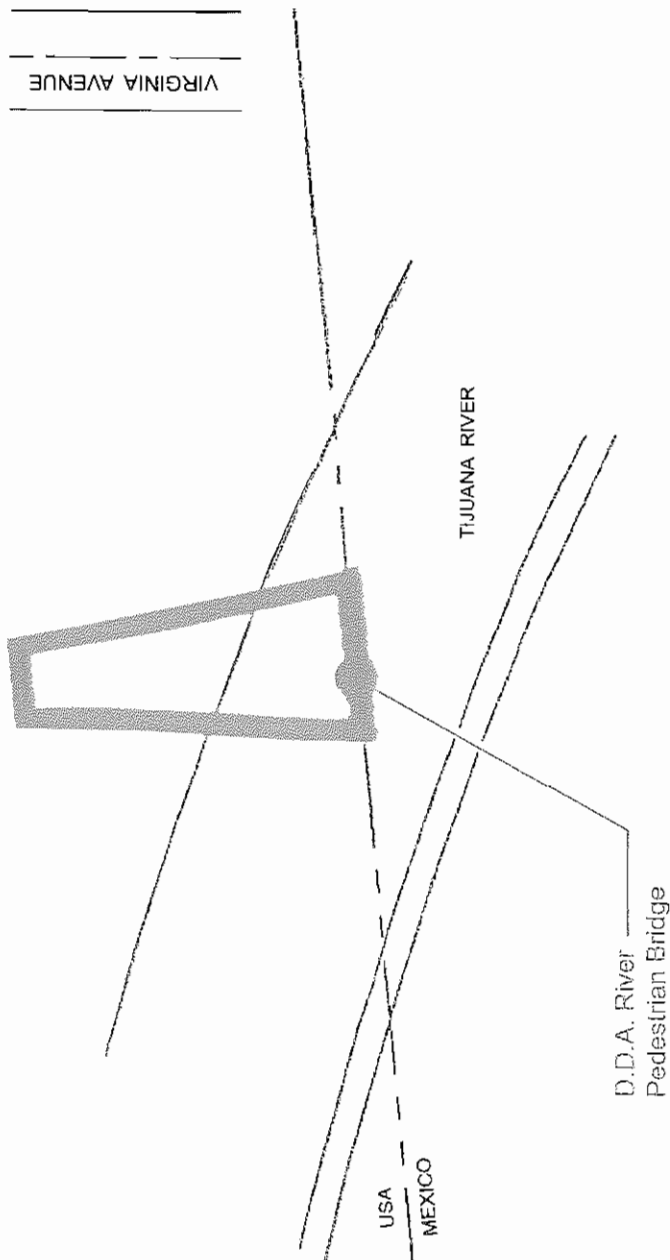
D.D.A. Air Rights Parcel 'F' Exhibit with Improvements
24 January, 2000

0 60' 120' 240'
0 30m 60m



Figure 2
Amended Exhibit A
(Attachment No. 8)

D.D.A. River Pedestrian Bridge Exhibit



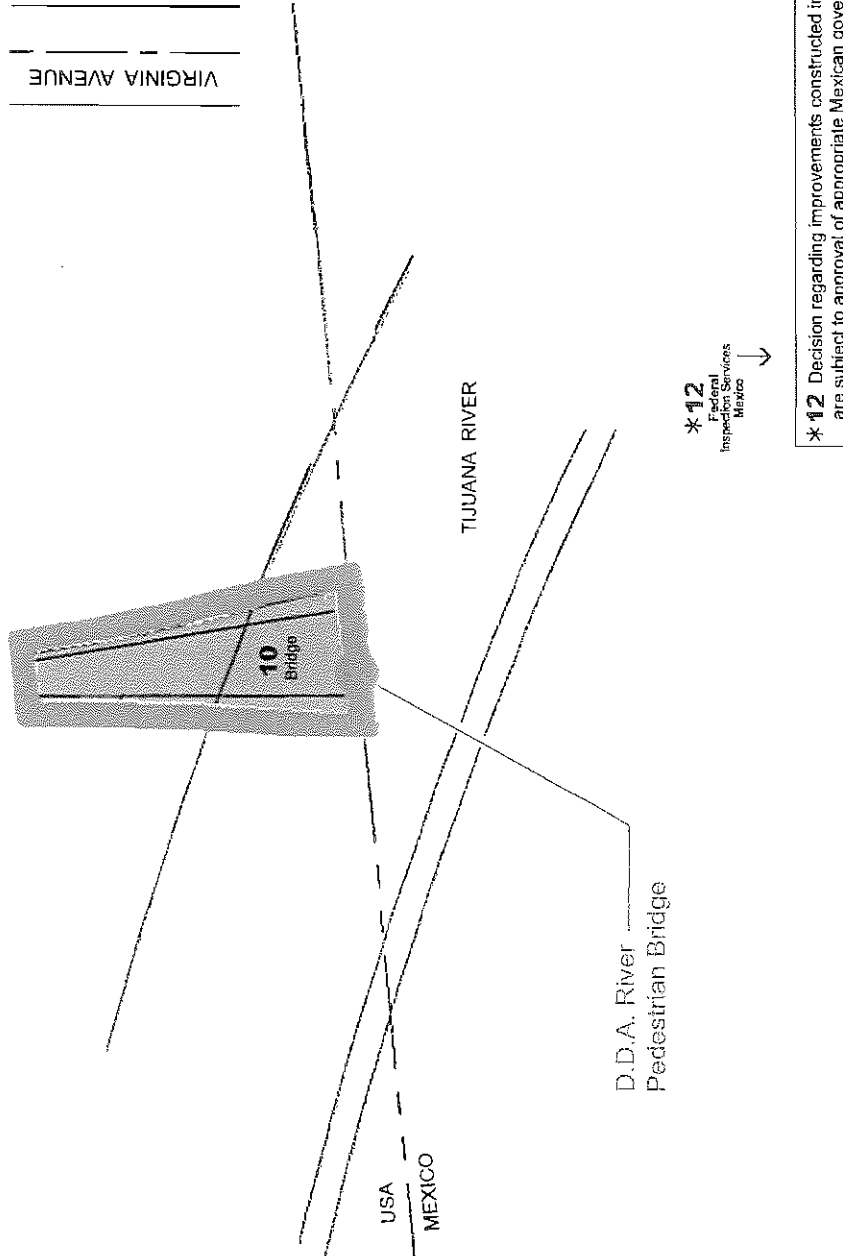
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D.D.A. River Pedestrian Bridge Exhibit
24 January, 2000





D.D.A. River Pedestrian Bridge Exhibit with Improvements



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D.D.A. River Pedestrian Bridge Exhibit with Improvements
24 January, 2000

0 60' 120' 240' 30m 60m

